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GOVERNMENT ALLIANCE IGNORES IMPORTANCE OF ATLANTIC ALLIANCE

Brussels LE SOIR in French 1 Aug 80 p 3

[Article by Y. B.: "Government Alliance Against the Atlantic Alliance"]

[Text] Once again, the Belgian Government has preferred to prolong, by its indecision, an error in its own ranks as well as within the Atlantic alliance, rather than to take the political risk of dissatisfying one or the other element of the government majority. For our political strategists the absolute priority is to maintain governmental cohesion until the vote on the budget and on the reform of government institutions. The threats of the president of the SP, Mr Van Miert, for whom "there is no question of forcing a decision on the matter of the installation of cruise missiles," and the grumbling of the leaders of the PS who, under the pressure of rank and file members, do not intend to be left behind, have prevailed over the demands to the contrary from a few Liberals and Christian Socialists.

Nonetheless, no one is agitating for the resignation of the government. No more, without a doubt, is anyone agitating for the the socialists to quit the majority unless a face-saving formula had permitted Belgium, during the vacation period, to get back into the lap of the Atlantic alliance without too much noise. But the rules of the Belgian game of non-decision provide that immobilism is preferable to action.

Even if everyone admits that, in terms of the subject which occupies us, our international position is singularly diminished. Mr Nothomb was the first to say, speaking to LE SOIR last 12 June, "To have a voice in the alliance, we must be a serious member for people to take our views seriously."

This is true even if we are damaging the position of NATO, making differences appear within the alliance, at a moment when it must face, fully united, a difficult negotiation with the East. This is not taking into account that the "Belgian virus," as they say in NATO circles, threatens to contaminate other members of the alliance.

Even if, finally, all parties concerned, including those which are trying to mobilize their supporters by taking care of their pacifist image, finally place themselves behind the decisions agreed to within the alliance, because none of the snipers, even those most aroused like Messrs Van Miert and Toback, do not intend to question our belonging to NATO.

When, after the German and American elections, the time comes for negotiations with Moscow, the only option which will be open to us will be to follow with our alliance partners who, moreover, share our concern not to deploy in Europe American cruise missiles to counterbalance soviet SS 20 rockets already deployed, unless there is a failure in the East-West dialog.

Hence, the hesitation waltz of the Belgian government appears only in one light: a part of the weaponry of domestic politics. The cruise missiles for some are no more than an eventual excuse to leave the government majority in the autumn. For others the missiles are a good lever to free themselves from a troublesome partner when they no longer need the support of his members of parliament.

And our credibility abroad? Our eventual influence? The ill-considered risks which we are making our allies run during a dangerous period? Those, they say disdainfully, are only concerns for diplomats on the wrong side of the question.

This is a singularly irresponsible and limited attitude on the part of a government which called itself, when it entered office, the last chance for the country, but which, with the passage of time, one perceives as being concerned with its survival as its principal objective. In such a situation it is hardly astonishing to see Mr Nothomb abandon, without the least resistance, all the maneuvers which he had undertaken while at the head of our diplomatic effort.

Wasn't it he who told us, with regard to NATO: "Any political alliance is something which has to be handled with caution." The only alliance which is trying to preserve the Belgian Minister of Foreign Affairs seems to be that of the present governmental majority.

5170
CSO: 3100

NUCLEAR PHYSICIST INTERVIEWED ON WEAPONS DEVELOPMENTS

Paris LE POINT in French 4 Aug 80 pp 30-31

[Interview with Marceau Felden, director of the Physics of Ionized Media Laboratory by Dominique de Montvalon -- date and place not given]

[Text] Director of the Physics of Ionized Media Laboratory at the University of Nancy 1, Prof Marceau Felden, 48 years old, is one of the most outstanding French specialists in thermonuclear fusion. During the last few years he has taken part in training a good one quarter of French nuclear physicists and engineers. Recently returned from a study trip to the United States, he told LE POINT why, in his opinion, debate about the neutron bomb is of capital importance, but which has up to now been poorly presented. To him - at the time when Yvon Bourges has just revealed that the future French Mobile Missile will be a ground-ground missile - the appearance of the neutron bomb in fact heralds a new generation of nuclear weapons which could, in time, consign present day nuclear weapons to oblivion and revolutionize bases of military strategy.

Marceau Felden: I am a scientist, not a politician. If I have all the same decided to speak out publicly today it is because of I am frightened by the ignorance and the number of errors prevalent in France, and elsewhere, as far as the subject of nuclear research and new weapons are concerned. Take the matter of the neutron bomb: this has given rise, in the country of Descartes, of a typically theologian dispute over whether this new weapon changes in this or that particular a doctrine supposedly immutable....

[Question] But you are saying that the neutron bomb actually represents a decided transition to a new generation of nuclear weapons....

[Answer] To me this seems obvious and fraught with serious consequences. To understand this a brief review of the past is essential. During the course of World War II the conventional nuclear bomb appeared, with its three well known effects: shock effect, heat effect, and radiation effect. From that point there was a two-fold evolution! First of all, because of inability to

make precise weapons, they were built with more and more power. The record was attained in October 1961 by the Soviets; in that month they tested a 60-megaton bomb. For comparisons, the sum total of explosives used during World War II amounted, roughly, to 2 megatons. Next, the greater precision of carrier vehicles resulted in fabrication of smaller and smaller bombs, but whose operating principles remained the same as those of the first bombs. Some numbers: At the present time the precision error of missiles is less than 100 meters. But it is generally considered that, in order to destroy a rocket in a silo, this error must be reduced to about 20 meters. It can be reasonably expected that this figure will be attained in 1985.

[Question] In what way will the neutron bomb initiate a change?

[Answer] It is a missile which primarily produces radiation effects, without, for all that, the shock effects and heat effects being entirely absent. Well, I say that it heralds a new era for which - everything so indicates - the Soviets are preparing, and after them, with some delay, the Americans: one in which there will be employed - the various nuclear effects this time being entirely controlled - particle beam weapons, veritable corpuscular nuclear cannon capable of direct hits on their targets without causing the slightest explosion, the slightest shock wave, the slightest surrounding heat effect. In short, one would take a localized, pin-pointed nuclear charge and deposit it, literally, upon an objective carefully marked out in advance. Or further, one would concentrate the radiation and space it out in time.

[Question] Does such a weapon exist today?

[Answer] Let us make it clear - No. This device which would "shoot" through the atmosphere in some manner, a little like a laser beam, protons and electrons so as to "kill" (or in any case nullify) in flight any conventional nuclear missile at present launched from a silo or a submarine is at most only in the crude prototype stage in the USSR. And further, one may have no doubt, the technological obstacles still to be surmounted are considerable. How are the problems of primary energy supply for this beam to be resolved? How to ensure that it will not be deflected from its trajectory in the atmosphere? Moreover, I am here alluding only to the possible "on the ground" version of this device. The problems which its eventual utilization from space stations, with which the entire globe will be "sprinkled," and which would be able to "kill" artificial satellites with beams of "neutral" particles are, at the present time, truly gigantic.

But, having said this, there is no theoretical physical principle which precludes believing that such a weapon can be developed in the next 20 or 30 years. That would be a genuine revolution. The Americans have become aware of it, they who, after having failed in an initial research program, loudly flaunted their skepticism, decided at the end of 1978 to launch upon a new program of this kind - designated "Sipapu" which means "sacred fire" in American Indian - a team of 53 physicists (the "gang of 53" as they say there) charged with precisely determining the "feasibility" of weapons of this type.

This remains, in their opinion, a "high risk" program, that is, very uncertain, but all the same it is underway. As for the Soviets, their research is shrouded with mystery. At the end of 1975 the American satellites detected - above the site of new technologies development at Semipalatinsk in Central Asia - strange and powerful radioactive and thermal flashes. It has also been learned that by 1979 they had already effected a total of eight experiments in propagating beams in space....

[Question] In short, we can already get ready to discard our nuclear arsenal....

[Answer] Certainly not, as we shall see. If the project of which I speak sees the light of day, it will be on the horizon of the year 2000. Not before. It remains that we would be assuming great risks in ignoring what is going on alongside us or in front of us. Then we may one day awaken to find ourselves disarmed without having even made a move. Frankly, I do not pretend to possess the truth in fact, and still less to impose a choice. I wish only that France does not allow itself to be "trapped" in an archaic debate while neglecting to reflect and to foresee in time. In the meantime let us indeed go full speed ahead with the neutron bomb. In any event that would be a step in the right direction.

11706

CSO: 3100

POLITICAL GROUPS WORRIED ABOUT NEW U.S. NUCLEAR WAR STRATEGY

Amsterdam DE WAARHEID in Dutch 9 Aug 80 p 1

[Text] The disclosure that President Carter has approved a new atomic strategy has aroused great concern in the Netherlands, both in political circles and in the peace movement. Carter's "Directive 59" is viewed as a great danger, because the atomic threshold is lowered by it.

In a press release the Collaborating Group Stop the N-Bomb, Stop the Nuclear Arms Race says that we now have confirmation of how right the warnings were against the production and introduction of new nuclear weapons such as the neutron bomb, the cruise missile, and the Pershing. For that is the kind of weapons to which a big rôle is assigned in Carter's new atomic strategy. What this policy comes down to is that atomic weapons will be used sooner on the "battle-ground" and to put enemy launching sites and military-industrial complexes out of action.

The CDA member of parliament J. de Boer is also of the opinion that the atomic threshold is lowered by the new American strategy. De Boer has asked the government whether America's European allies have been consulted about this change of strategy and what the background of it is.

For the changed U.S. strategy, as we wrote yesterday, new weapons are necessary. They must on the one hand be very accurate and on the other hand must reach their target quickly. The new strategy is no longer aimed at deterrence--by the threat of mass destruction of the cities--but is based on the assumption that a long atomic war on a limited scale is possible.

According to De Boer, in such a strategy the emphasis will lie on the nuclear weapons stationed in West Europe, and in particular on the intermediate range weapons that NATO reached a decision on in December of last year.

At that time the Netherlands and Belgium, under pressure from the peace movement, postponed a decision on the stationing of the rockets. A new

government will decide on it late in 1981.

De Boer says that the Netherlands was right in making that reservation. It now appears that the stationing of the new rockets had a different reason from the one presented to us at that time, he says.

The Americans' new strategy, according to the CDA member of parliament, is aimed at action more than at threats, and thus brings atomic war closer.

Collaborating Group's Declaration

In the press release of the Collaborating Group Stop the N-Bomb, Stop the Nuclear Arms Race, it is pointed out that precisely the danger that nuclear weapons may be made usable for waging a limited nuclear war was an important motivation for the mass campaigns against the N-bomb and the so-called "Euro-strategic rockets." Now it is openly admitted that the new nuclear weapons are intended for use in limited atomic warfare. For that reason it is necessary for the opposition to these new nuclear weapons to be strongly maintained.

A stop must be put to the development of new kinds of nuclear weapons and negotiations should be carried on for mutual reduction of the nuclear weapons arsenal in West Europe, according to the collaborating group. With this aim in view, the collaborating group will put on new demonstrations in the fall for the demands: "Prohibit the N-bomb while there is still time" and "No atomic rockets--not in the Netherlands, not in Europe."

8815

CSO: 3105

EUROPEAN PARLIAMENT'S ONE-YEAR ACHIEVEMENTS ANALYZED

Brussels LE SOIR in French 18 Jul 80 p 5

[Article by Serge de Waeregger]

[Text] The event was historic: exactly one year ago Thursday the first European Parliament elected by universal suffrage met in Strasbourg.

Fifty-nine days of plenary sessions, 143 opinions solicited and responded to, 264 parliamentary commission meetings, several public hearings some of which treated current events; such is the quantitative scorecard of this year. This is without counting the tons of paper blackened by reports, motions and other resolutions, the rivers of saliva which poured from the mouths of 410 deputies during the 14 sessions, the hundreds of thousands of francs spent on travel between Strasbourg, Luxembourg and Brussels, and without mentioning "study days" for groups in Paris, Taormina, La Grande Motte...

A full and well-rounded blanc sheet. However, does it represent the hopes placed in this new parliament?

Actually, compared to the former European parliamentary assembly, this parliament was not really "new," except for its means of election--universal suffrage instead of designation by national parliaments--and therefore the weight of the representative factor which resulted: 410 deputies, rather than 198, were involved in the new 6 month session.

The deputies chosen by the electorate of the European Common Market countries followed national electoral systems, which was not without some repercussions. For example, the liberal group is violently opposed to the British system, as the following case will demonstrate: By giving the majority party of a district the total number of seats (and not, as in Belgium, for example, a proportional distribution of the seats), this system prevented all the British liberals from joining the European group; at the same time, it sent 61 conservative British deputies to Strasbourg out of Britain's total of 81 deputies.

Democratic Control

Judiciously, the new European Parliament, like the old one, is limited to being a consultant except in budgetary matters where it shares full rights with the Council of Ministers. Parliament also has the power to censure the European Commission. When the European Community was just beginning, the Commission seemed like a true embryo of a real supranational European executive branch. Parliament's power to censure the commission then, was directly aligned with democratic controls. However, especially because of French Gaullist opposition, the commission's profile changed. It became more or less an organ of initiation and execution, while the real power of decision was concentrated within the Council of Ministers. This council assembles the ministers of European Common Market nations: every 6 months another minister presides over the council, rotating in an alphabetical order.

Thus, the newly elected parliament does not really have any democratic control over those in power; at least, not any direct control. In addition, being a parliament of European institutions which have fused together (CEE, Euratom, CECA) it could not, as far as the most jealously nationalistic people were concerned - especially the Danes and the French - go further than fundamental treaties. That means it wasn't able to discuss subjects relative to political cooperation (European foreign policy) or defense, etc.

The dynamism which accompanied the election by universal suffrage brought on a tendency to dwell on these barriers surrounding the assembly.

The Battle of the Budget

The fight which developed around the 1980 budget illustrated parliament's desire to appear as an instrumental element in the institutional process of the Community. At the bottom of the problem, the deputies used their budgetary power to influence general European political policy. A majority of them reproached the overly large part allocated for what they felt was an agricultural package, which thereby transformed the so-called "humanitarian" political policy: social, regional development, research, energy... into the poor relatives bracket. The parliamentary request for important supplementary credits found itself up against a very rigid attitude on the part of the Council of Ministers, which rejected this request very brusquely. This was interpreted as the council's desire to "put the parliamentary assembly in its place." Whether or not this was true, this impression, in its turn, led to a backlash reaction in parliament, which rejected the budget in December.

The assembly had shown its authority, but in a negative fashion. On the other hand, when it was necessary to agree on a constructive attitude, political and national influences prevented it from keeping a critical

frame of mind such as that retained during the rejection. Thus, on the question of raising agricultural prices, its attitude was in direct contrast to its own slimmed down policy suggested during the budget debate. Nevertheless, the final aspect of the European budget reflected-perhaps imperfectly-the parliamentary concern for more emphasis on "humanitarian" policies.

Meanwhile, the feeling arose that a collaboration between institutions would be better than a confrontation destined to prove the force of each one.

Danger: Apoplexy!

Another difficulty that parliament faced was the risk of apoplexy and the possibility of seeing its image sink in the Euro-mud. It is difficult for an assembly of 410 deputies--whose diligence could set an example for a number of national assemblies--to function within the limits established for 198 deputies. This is not only a question of the availability of the personnel of the institution, but also of channeling the zeal of numerous "honorable members," conscious of their obligation to justify their vote before their constituents, conscious as well of the often distressing problems of their own regions. Since speeches are limited, time is a precious commodity. The discipline problem in relation to speeches has been accentuated by small-timers wanting to defend their rights at the tribune. Marco Panella became famous in this type of fight which, for the moment, he seems to be winning.

Parliament also develops all possible outlets for its dynamism to the fullest extent: question hour, oral questions and debates, written questions, public hearings. On the whole, a success.

Acting as the "conscience of Europe," and this because of its mode of election, Parliament easily grasped the great problems of the moment. The impact, however, varied. Thus, if the call for help for the "African Horn" refugees seemed formulated in a penetrating manner, Parliament's expressed thoughts appeared more difficult to formulate when it came to major topics such as employment.

Often the right seems to have restricted the left's own generous initiatives in the name of political realism. Inversely, certain compromise proposals from the center or the liberals allowing an almost unanimous position on subjects such as Afghanistan, for example, failed with the left because of dogmatic internal rivalries.

Parliamentary wine '79-'80: a "spumante": a little too bubbly, perhaps, to be able to fully taste the body.

BENELUX 'DE WULF PLAN' TO TACKLE RISING UNEMPLOYMENT AMONG YOUNG

Brussels LE SOIR in French 3/4 Aug 80 p 5

[Article: "Too Many Unemployed Young People in Benelux: Europe Is Interested in Our De Wulf Plan"]

[Text] Unemployed young people are very numerous in the three Benelux countries. At the end of last year 39 percent of Belgian unemployed, 33 percent of Dutch unemployed, and 50 percent of Luxemburg unemployed were young people. Young people are defined as less than 25 years old in Belgium and in Luxemburg and less than 23 years old in the Netherlands.

In all that means 185,000 young people in search of a job. The Benelux economic union, in a study which it has just published, has tried to determine the causes and the peculiar circumstances--different from one country to the other--of this phenomenon.

In Luxemburg, the document states, the enormous proportion of 50 percent of the unemployed should not hide the absolute figures, for the 50 percent constituted by young unemployed persons only represents in fact 636 people, of whom 193 are just graduated from school. The rate of unemployment is not particularly high.

An even better circumstance, the Luxemburg employment administration considers, lies in the fact that the figures for the month of November, on which the Benelux study is based, are not representative, because they include a relatively significant number of young people who, at the end of their studies, have not immediately found a job. Therefore, there is a seasonal influence involved whose effects tend to be dissipated in the course of the year.

However, the Luxemburgers recognize that there is a problem of professional qualification in their country. The demands of the employers are becoming higher and higher, and the public authorities should organize appropriate professional training courses. This could lead to the establishment of a system of training positions which would make it possible for

young high school graduates to make the transition between the stage of teaching in class and their entry into the active phase of their working life. Moreover, 90 percent of the young people who have gone through a system of training positions have rapidly found permanent jobs.

The Distance Between the Job Market and School

In the Netherlands the authorities responsible for employment policy explain the importance of the unemployment of young people in three ways: the young workers are always the first victims of the reorganization of companies; preference is given to experienced workers in cases of a reduction in force; and there are significant distortions between formal instruction and the job market.

Here also the authorities have decided to place the accent on professional training. Contacts have been developed between the directors of the schools, the professional organizations, and the authorities in order to try to make an inventory of employment needs, to circulate the information developed, to consider adaptation of school programs and professional training.

And in Belgium? If one unemployed person in three is less than 25 years old, this is especially because of demographic change. The very large number of births which took place between 1945 and 1964 ensured that our job market today has practically been "invaded" by young persons seeking a job.

At the same time Belgian law provides that almost all young people less than 25 years old who have completed their studies are entitled to unemployment benefits. The only exceptions are those who have not completed elementary school or the lower cycle of secondary school [junior high school].

A Rather Somber Future

The "Spitaels Plan" had provided various kinds of measures to deal with unemployment among young people: employment by the government, training in companies and public services, obligatory replacement of workers retiring early, and temporary, special employment.

By the end of last year these different measures involved more than 135,000 workers, not including the CST and its 27,000 annual jobs. According to the ONE and the Ministry of Employment and Labor, these figures are positive, because they have made it possible to reduce noticeably unemployment among young workers.

But the future remains a somber one, since, in order to employ all the young people who will present themselves on the job market, it would be necessary to create 30,000 to 40,000 jobs per year, and this would have to continue over a period of 5 years. This is practically impossible under the present economic conditions.

The present "philosophy" consists, then, in distributing available work more effectively among the greatest number of people possible. Hence the "De Wulf Plan" which provides double the annual allowance of 250,000 Belgian francs for each unemployed young worker provided a job, to the extent that the company creates the job and the young person spends 38 hours per week at work.

European government agencies, it seems, are closing following this "original" initiative with all the more interest since the problem of a reduction in the work week is on the agenda of European social discussions.

5170

CSO: 3100

OPPOSITION TO CHILE ARMS DEAL GROWS

SPOe Opposes Deal

Vienna PROFIL in German 18 Aug 80 pp 20, 22

[Article by Otmar Lahodynsky: "Tanks on Instalment Plan"]

[Text] As resistance against the planned export of tanks grows, "Creditanstalt" is busy negotiating a credit amounting to billions with the Chilean government.

State secretary Anneliese Albrecht, an otherwise peaceable woman, lost her temper. A week ago last Saturday, at the opening of the Klagenfurt lumber fair, she and Stefan Knafl, the People's Party chief for Carinthia, got into a heated argument concerning the projected export of tanks to Chile.

When chamber of commerce president Rudolf Sallinger tried to smoothe things over by appealing to her "composure and dignity," the red lady said: "To hell with dignity. I want to prevent those tanks from getting to Chile."

Protesting the controversial arms deal, thousands of demonstrators marched on the federal chancellor's office last Monday--among them a delegation of the 600 Chilean refugees who have been granted asylum in Austria. In the front ranks, there were old socialists like Josef Hindels and Dr Josef Schneeweiss, head of the association of socialist physicians, who fought as a volunteer on the Loyalist side in the Spanish civil war. "My dead comrades would turn in their graves, if a socialist government were to send tanks to Chile," Schneeweiss wrote in a letter to the ARBEITER-ZEITUNG, adding: "Must one be ashamed to be an SPOe member?" For 3 weeks, protest letters have been piling up on the chancellor's desk. Hildegard Goss-Mayr, chairman of the "International Reconciliation Association," who jointly with Chilean cardinal Silva Henriquez received the prize of the "Dr Bruno Kreisky Foundation" last year, threatened to return the award.

The assurance sought by Kreisky of the Chilean military regime "not to use the equipment in internal conflict situations" reached the Foreign Ministry last Monday and was signed by the Chilean ambassador. At almost the same time, there were news reports saying that General Augusto Pinochet had just scheduled the next free elections for 1997 as part of his "democratization plan." Last Tuesday, the Chilean ambassador called on Finance Minister Hannes Androsch, who had told newsmen a few hours earlier that he was in no way involved in the Chile deal.

Just then, emissaries of several Chilean underground parties were imploring majority leader Heinz Fischer to prevent the tank deal at all costs.

But, in case the 2 billion schilling order did not go through, 500 employees would have to be dismissed, the Steyr-Daimler-Puch AG management said.

Last week, management decided to refrain from applying another type of pressure such as bringing a "liability suit" against the Austrian government, based on article 23 of the constitution. The constitutional experts of the chancellor's office had already started looking into the possibility of such legal action.

The federal government no doubt shares in the blame for the dilemma in which the armament works now finds itself. Two years ago, at the height of a border conflict between Chile and Argentina, the Steyr works delivered Kuerassier tanks to Argentina at a cost of 800 million schillings. When Chile asked for the Austrian tanks as well, the Steyr management began making inquiries of chancellor Kreisky. But he would have none of it. He would not approve the necessary export credits or the customary indemnity bond assumed by the control bank.

Kreisky thought he had thereby killed the deal. But Steyr's general manager Michael Malzacher worked out alternate financing arrangements and got finance minister Androsch and OeGB chief Benya to support him, thereby putting the chancellor in an awkward position.

It had been planned to obtain the approval quietly during the summer months. But the secret arms deal became public and soon there were protesting voices everywhere, ranging from Linz bishop Franz Wagner to young socialist leader Josef Cap.

Those who, like Benya and Sekanina, naively thought of striking a deal exchanging international solidarity for jobs at home soon found themselves under attack from their own ranks. OeGB functionaries such as Alfred Dallinger, Helmut Braun and Sepp Wille all came out against the export deal. Franz Prechtl, head of the railroad workers union, announced a shipping boycott on arms to Chile in PROFIL, Benya or no. As head of the international transport workers union, Prechtl had no use whatever for the Chilean regime. Whenever an ITF delegation went to Santiago in an attempt to check into the situation of their Chilean colleagues, the members were met at the airport and immediately put on the next plane out of the country.

Under the circumstances, insiders no longer consider it likely that Kreisky will give the green light for the arms deal at the 20 August session of the SPOe presidium. The few supporters of the deal in the cabinet such as buildings minister Karl Sekanina have either done a disappearing act or are coming up with curious arguments. Andresch, for example, feels it is incumbent upon a neutral country to sell the tanks to Chile to match the previous sale to Argentina. Defense minister Roesch confided to DIE PRESSE that he was in favor of any arms export "as long as there was no risk that they would be used against Austria."

Steyr management meantime is unhappy about not having worked the Chile deal via their Steyr-Hellas subsidiary in the first place. A new tank assembly plant will be opened next to the Steyr tractor plant in Nigeria in the fall. But the Chileans can hardly be expected to wait that long. The German arms dealers were cleverer. According to DER SPIEGEL, 4,000 automatic rifles, designed by the Swabian arms manufacturer Heckler & Koch and produced under a licensing arrangement in Thailand were shipped from there to Chile.

Austrian trade relations with Latin America were intensified a year ago. In September 1979, the then president of the industrialists' association, Hans Igler, held some discussions with his Spanish counterparts concerning market opportunities. Spanish industry offered help in establishing business links with Latin America. In exchange, Igler promised the Spaniards his support in their trade with the Comecon countries.

On 20 April 1980, a six-page Austria supplement with articles by Kreisky, Benya, Sallinger, Koren and Treichl appeared in the Bolivian daily EL DIARIO. Advertisements by the Hirtenberger ammunition plant and by Steyr-Daimler-Puch AG called attention to their military offerings.

An international banking consortium extended a DM 100 million loan to Chile with the Austrian state banks, Creditanstalt-Bankverein and Laenderbank, participating.

Two weeks ago, two Creditanstalt directors were negotiating the extension of an additional 2 billion schilling loan in the Chilean capital. The Chileans set hard conditions. Instead of schillings, they asked for German marks even though they are in no position to guarantee repayment in a specific currency.

And the fact is that Chile really needs arms least of all. "One could say that there are two distinct societies existing side by side in Chile-- one of them developed and strong and the other underdeveloped and impoverished which does not even have the basic means for survival," Chile's cardinal Silva Henriquez said in his 1 May 1980 sermon. "This situation leads to contradictions again and again which unfortunately create centers of violence and conditions which destroy the peace."

The junta has enacted two new laws against terrorists, illegal union members and revolutionary priests this year. A "banishment law" provides for the 3-month internment of anyone suspected of violating "national security" and in July, the Chilean secret police CNI was empowered by the government to hold persons for 20 days without having to give notice of their arrest.

Last week, NEUE ZUERCHER ZEITUNG reported that "six close relatives of political prisoners had been kidnapped" in the Chilean capital.

The reason for the wave of arrests was the assassination a month ago by persons unknown of Colonel Roger Vergara Campos, the director of the military academy and former chief torturer of General Pinochet.

SPOc Chairman Fischer Interviewed

Vienna PROFIL in German 18 Aug 80 pp 20, 21

[Interview by Otmar Lahodinsky: "Deal Can Still Be Blocked"]

[Text] PROFIL: There were 2,500 demonstrators on the Ballhausplatz yesterday protesting against the sale of Austrian tanks to Chile. A group of Chilean refugees went on a hunger

strike. Inside the SPOe, too, resistance against the deal is mounting. But the contract between the Steyr works and the Chilean military junta has been signed and the Kuerassier tanks have long since come off the assembly line. Can this deal really still be turned around ?

Fischer: According to existing law, the export of Austrian war material must have the approval of the federal government. This approval has not yet been given and therefore the deal has quite obviously not yet been consummated and can, under the circumstances, still be blocked.

PROFIL: The guarantee Chancellor Kreisky asked of the Chilean military regime that the Austrian tanks would be used for defense purposes only has long since been made part of the sales contract. During the military coup in Bolivia recently, Austrian tanks were used against the workers. How much faith can one place in the promises of a military junta ?

Fischer: A promise by someone like Pinochet means precious little.

PROFIL: Is it conceivable for a socialist government to send tanks to a country which was and still is guilty of violating human rights, which has banned the socialist party and will permit only labor unions loyal to the government to exist ? Can this deal conceivably be compatible with the principles of the SPOe ?

Fischer: I am aware of the fact that this question leads to still another question of whether there is a way of distinguishing between lesser and particularly obnoxious dictatorships. With respect to Chile, the answer is easy. It would have been inconceivable for Austria to export arms to Spain in General Franco's time. For me, it is equally inconceivable to export arms to Chile, a country where a military coup of exemplary brutality did away with democracy and then, with equally exemplary brutality, set up a military dictatorship.

PROFIL: There were no such scruples expressed 2 years ago when the Kuerassier tanks were exported to Argentina.

Fischer: You are right. That is part of the problem I alluded to before: in a specific case it is often quite difficult to make an assessment of another system or regime, unless of course one rejects arms exports on principle. In Argentina's case, there were also questions about whether or not to participate in the world championship soccer matches.

PROFIL: ...and then we decided to take part anyway. Benya and Sekanina have said that jobs at home come first, ahead of international solidarity. Austria cannot afford to let a 2 billion schilling deal slip through its fingers.

Fischer: I think one has to be fair enough to remember that president Benya said he was personally opposed to the deal but could not do so in his capacity as a labor leader. I respect that in the sense that it is a facet of our political spectrum.

PROFIL: What is your own personal view of the Austrian arms industry and of arms exports? Are you in favor of establishing more stringent guidelines?

Fischer: The existing laws are adequate, I think. 3 years ago, the arms export law was adopted unanimously by parliament. There are two points to the law. First, the Austrian parliament comes out in favor of exporting arms in principle. But second, there are a number of aspects that must be considered: Austria's position in terms of international law; our foreign policy interests as well as serious questions of principle.

PROFIL: The course for the domestic arms business was set as long as 5 years ago. The Steyr works above all have been investing a great deal of money in the armament sector. Now, there are Young Socialists, catholics and even unionists demanding structural changes and conversion to civilian production.

Fischer: We have to go back to some basic assumptions. In the fifties, the question was debated whether Austria should maintain an army at all. Not a few, particularly inside the SPÖ, were against it. But then the decision was reached to set up the army to defend Austrian neutrality. Once you have an army, you need weapons. If you build your own weapons and do not want to depend on imports, you have to build a certain number of them, which is what Switzerland and Sweden also do. That is not very pleasant. I am interested in making sure that Austria which has an army and which has weapons and exports weapons, does not look at these arms exports from a strictly business point of view but also at those aspects which must lead to a rejection in Chile's case.

PROFIL: The OeVP has come out in favor of exact guidelines to make sure that manufacturers do not initiate arms deals which are subsequently vetoed by the government. Could you conceive of a listing of customers and countries to which arms could be sent ?

Fischer: That would be a far too rigid way of going about it. I consider Austrian laws to be adequate enough to let us examine each individual instance carefully. If the party and the government turn the Chilean arms deal down, it would not be the first government rejection ever of an arms deal.

PROFIL: What deals were rejected ? There was talk of a deal with China recently which did not go through because of the Russians.

Fischer: I will not comment on that. I will only say that the law is being administered and that the government judges each case on its merits and decides whether it can approve a given arms deal or not.

PROFIL: But the law does have a legal loophole. The Steyr works could have the Kuerassier tanks assembled in Nigeria where they are opening a tank assembly plant this year and do business from there without let or hindrance and without waiting for approval.

Fischer: At the moment I cannot say whether that is legally possible. The fact is that parliament could and would come out against any attempt to circumvent the law and its intended purpose.

PROFIL: For some years now, the Swiss arms manufacturer Oerlikon-Buehrle has been producing all weapons for which it would need a Swiss government export license in foreign countries.

Fischer: If a firm takes that particular course, the argument that domestic jobs are being safeguarded falls by the wayside. If we were to transfer all our arms production to foreign countries, we would no longer be preserving Austrian jobs.

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CSO: 3103

GOVERNMENT AGREES ON 1981 BUDGET

Expenses, GNP Detailed

Brussels LA LIBRE BELGIQUE in French 11 Aug 80 p 3

[Text] With expenditures estimated at 1,194.9 billions and revenues of 1,104.2 billions, the 1981 budget, on which the administration agreed Saturday morning, thus presents a current operations deficit of 90.7 billions, or 10 billions less than the adjusted 1980 budget but 8.6 more than the initial estimate.

Since the capital transactions balance comes to 151.3 billions, the net financial balance--which, as Mr Martens emphasized, to a great extent consists of the increase in the public debt--is estimated at 242 billions, representing 6.4 percent of the GNP, as against 7.3 percent in 1980. For all government agencies together, the prime minister estimates, the reduction compared to the current year will exceed one point of the GNP, considering the packages adopted in order to cover the social security deficit.

The total current expenditures were estimated at 1,194.9 billions for 1981 as against 1,110.5 billions (adjusted budget) in 1980, representing an increase of 7.6 percent, as Mr Martens continued.

Thus, the percentage of increase in the total current expenditures will not be greater than the worldwide increase in the GNP, which was figured at 7.6 percent for 1981, in spite of the growing expenditures connected with the public debt and the fact that the government budget will continue to be heavily influenced by persistent unemployment and by all of the efforts made in the matter of social security.

The budget proposals introduced by the ministerial departments were reduced to a maximum through the strict application of absolute zero growth for nonindexed and nonpriority expenditures.

In order to hold the increase in allocations for pensions down and to guarantee the payment of pensions for the public sector, a pension quota

contribution of 2 percent was instituted on all of the salaries in the public sector; it will be applied on the occasion of the increase in remunerations and pensions following the evolution of the consumer price index. The yield from this quota contribution has been set at 6 billion.

For fund allocations covering subsidies to social security, an overall budget envelope of 202.3 billions has been fixed for 1981, representing an increase of 12.7 percent. Moreover, the effort in the matter of tying social benefits to the living standard will be continued in 1981 and 1 billion has been set aside for this purpose.

Within the context of energy savings policy, the reorganization of indirect taxation on energy products will be carried forward; the yield here will come to 3.1 billions on an annual basis.

The total capital expenditures were estimated at 165.7 billions, as against 164.6 billions for 1980.

For 1981, a public investment program of 188.1 billions, equivalent to the program launched in 1980, will be distributed in the same manner.

Besides, a supplementary slice of 9.4 billions, or 5 percent of the 1980 investment program, will be included in the 1981 budget and will be distributed as a function of a selected reorientation of public investments.

Disbursements linked to public investments will exceed those of 1980 by more than 10 percent in 1981.

The total current revenues for the 1981 fiscal year were estimated at 1,104.2 billions, including 1,065.2 billions in tax revenues and 39 billions in nontax revenues.

The special tax on the extraordinary profits of the big enterprises, provided for in the budget law, will be collected again in 1981 and it should yield 2 billions.

The fiscal revenue estimate takes into account an intensified effort in the fight against tax fraud whose supplementary yield in 1981 is estimated at 15 billions.

Capital revenues are estimated at 14.4 billions.

Current adjusted expenditures for the 1980 budget come to 1,110.5 billions, representing an increase of 6.2 billions compared to the initial budget (1,104.3 billions).

This increase must essentially, according to the prime minister, be blamed on inevitable supplementary fund allocations for the public debt and the departments of national education which however were compensated to a considerable degree by cutbacks in other fund allocations.

Current revenues for 1980 have been re-estimated at 1,009.8 billions or 12.4 billions less than the amount provided for in the ways and means budget. This reduction is the result of a drop in tax revenues amounting to 19.7 billions and an increase in nontax revenues of 7.3 billions compared to the initial budget.

The 1981 Budget (in billions)

	1980		1981
	INITIAL	AJUSTE	
1. Opérations courantes			
- Dépenses 6	1 104,3	1 110,5	1 194,9
- Recettes 7	1 022,2	1 009,8	1 104,2
Deficit	82,1	100,7	90,7
2. Opération de capital			
- Dépenses 6	161,6	164,6	165,7
- Recettes 7	14,0	13,6	14,4
	147,6	151,0	151,3
3. Opérations de trésorerie	2,0	2,0	p.m.
4. Croissance nette de la dette	231,7	253,7	242,0
5. Croissance nette de la dette en p.c. du P.N.B.		7,3	6,4

Key: 1--Current Operations; 2--Capital Operations; 3--Treasury Operations; 4--Net Increase in Debt; 5--Net Growth of Debt in Percent of GNP; 6--Expenditures; 7--Receipts; 8--Adjustments.

Finance Minister Comments on Budget

Brussels LA LIBRE BELGIQUE in French 11 Aug 80 p 3

[Article by L. W.: "Mr Hatry Tells the Truth about the Budget"]

[Text] At the start of the 1981 budget presentation, we asked the finance minister to tell us what the lessons are that were learned from the "finance session" that has just ended and that was marked by

tough, nonstop meetings. Satisfied? Yes, Mr Hatry is satisfied to the extent that this was a first performance for him. "Thanks to my administration and my collaborators," he said, "whom I cannot praise enough, I had good background material available." Worried? A little bit, just the same, to the extent that this above all involves an exercise in estimates based on real situations that are as fast-changing as the current economic situation. The budget is extremely tight and calls for strict compliance with the commitments undertaken by the ministers in the matter of expenditures.

[Answer] The most important thing perhaps is the fact that most of the ministers hereafter realized quite clearly that the current situation is unfavorable, that the government's resources are reaching their limits, that one must adjust expenditures to revenues and above all that it is necessary to promote private enterprise in order again to prime the pump of economic activities. This is the angle from which one must view the new measures taken for the reorganization of indirect taxation on energy products. In eliminating or adapting the excise taxes, by raising the VAT, we are for the first time neutralizing the energy tax [we are for the first time achieving the neutrality of the energy tax]. This step puts an end to the striking imbalances in the favor of highway gas-oil, for example, but also natural gas--imbalances which in the end would have threatened the entire energy edifice.

The measure will yield 3.1 billions for the government, but only from private individuals. The enterprises, the highway carriers will not suffer any effect because they can deduct the VAT. For private individuals, this is an incentive to consume less fuel which is a part of the economy directive of the Common Market.

[Question] Will the 1981 budget abide by the commitments contained in the government declaration?

[Answer] I believe so but I am not shouting "victory." This is a difficult job. The administration is a political coalition and it is clear that one must take into account the aspirations of both groups. A major effort was made nevertheless to achieve maximum budget truth. Undoubtedly, the current deficit exceeds what the prime minister announced during the formation of the Martens II team. But one must say that the prime minister at that time did not have the necessary documents and that the economic situation had deteriorated considerably over the past 3 months; unemployment normally goes down in August.

This year it went up. Distribution is not going along very well and consumption is stagnating. All of this is expressed by tax shortfalls. When it comes to receipts, we are also paying for the periods of

stagnation which characterize each change in administration. Finally, the anticipated GNP growth is limited to 1.1 percent in real terms. One cannot do anything big with that sort of thing.

Budget Minister Comments

Brussels LA LIBRE BELGIQUE in French 11 Aug 80 p 3

[Interview with Mr Geens by Ch.B.: "Dictated by Circumstances"]

[Text] Mr Gaston Geens also let us have the benefit of his first conclusions regarding the 1981 budget. In his capacity as minister of the budget, he above all stressed the "expenditures" aspect of government projects. Some expenditures had to be limited to "zero growth" and leave only a slim margin for the definition of political decisions.

[Question] Mr Minister, the 1981 budget was announced as generally being a budget of "zero growth." But what priorities were emphasized in that budget?

[Answer] In 1981, government expenditures will in effect be limited to the growth of the GNP which is dictated to us by economic circumstances and which furthermore constitutes the application of the government declaration. Having made this point, we must realize of course that we are dealing here with an average, with leeway in both directions, spelled out as a function of the priorities.

Among the latter we have first of all the economic objectives of the administration and the reorganization of certain sectors which are in trouble but also a certain number of points issuing from the government declaration, among which we find, for example, energy policy.

But, along with that, we must realize that there are some priorities which somehow are obligatory: The public debt which represents one-sixth of the current operations budget, the social allocations, etc.

[Question] So that you have a limited leeway for maneuvering?

[Answer] Indeed, and this is certainly not the first time that this kind of observation has been made. It is also indispensable to get expenditures under control and, to do that, to impose strict standards in a certain number of fields.

This is true of national education, for example, where it was necessary to call a serious halt after the expansion of recent years and where we pursued harmonization in the implication of standards on either side of the language border.

The same is true concerning economic affairs. Saving jobs of course remains one of the major objectives of the administration but you will certainly have noticed in recent months that a certain laxity is no longer in order in the granting of subsidies to enterprises that are in trouble. The thrust of government policy in this matter must be defined in the sense of reorganization and revitalization of sectors that are in trouble.

[Question] And what about the investment program?

[Answer] The 1980 program was still expanding heavily with respect to the preceding year but it had to be stopped at 77.6 percent due to the lack of funds. For next year we started from the same basis although we did come up with a supplementary slice of 3 percent which will be distributed selectively and as a function of the objectives in the administration's statement. This boils down to saying that we will be aiming at the better utilization of public orders as a means toward industrial renewal and of course toward our general objectives of revitalization which is not only a matter for the administration alone. This is a task which is for the entire economic sector.

[Question] Is this a realistic budget?

[Answer] It had better be! The funds allocated were calculated correctly but strictly; they can be properly implemented provided stepped-up discipline is maintained in all departments and on all levels.

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MARTENS INTERVIEWED ON REGIONALIZATION PROBLEMS

Rotterdam NRC HANDELSBLAD in Dutch 23 Aug 80 p 23

[Interview with Wilfried Martens, prime minister of Belgium, by Sytze van der Zee]

[Text] Monday it was precisely 150 years since the uprising began that led to the break-up of the [United] Netherlands and thus to the independence of Belgium. On the occasion of that anniversary our Brussels correspondent had an interview with Prime Minister Wilfried Martens.

Wilfried Martens, born in 1936, studied at the Catholic University of Louvain, where he took a law degree. After he had established himself as a lawyer in Ghent in 1960, a few years later he became a member of the national committee of the Social Christian Party (CVP). From 1967 to 1972 he was chairman of the CVP youth organization, and directly after that he was chairman of the CVP itself until 1979. He was regarded as an important champion of a Roman-Red coalition. Although he had never before held a ministerial portfolio, last year he was entrusted with the leadership of the government. Under pressure of circumstances he accepted that post, because no government had been formed after months of negotiations. With his coalition of Christian Democrats, Socialists, and Liberals, Martens has thus far survived two crises.

"For nearly 17 months I have been prime minister, and day in and day out I have been busy with the state reform. Often until far into the night, with endless debates in parliament. Just imagine what the result might have been if I could have invested the same time and energy in the normal work of a prime minister, as it is in a normal country."

Wilfried Martens, one of the most prominent politicians in Belgium, is a hard man. After having been involved this year for the second time in a government crisis, in recent weeks he has developed a killing tempo in order, cost what it may, to get the first part of the state reform through the Chamber of Representatives and the Senate. Not only did the official staff protest against the determined way in which one week end after another was taken over, but even some ministers had to drop out for brief periods because of signs of exhaustion.

Although Martens is not a person that is quick to show his emotions, he concedes that it gives him great satisfaction to have brought off such a political feat this year, when Belgium has existed as a state for 150 years. And presumably this is the only festive high point, for what is there for Flemings to celebrate, after all, in a country where they have been discriminated against for over a hundred years?

Wilfried Martens is not at all in agreement with this disconsolate point of view. At his official residence on the Lambermontstraat in Brussels--which he does not occupy--he says:

"Nobody can deny that the Belgian state is led to a considerable extent by Flemings today. Some say 'controlled.' Belgium's 150th year is the culmination of years of struggle in which the Flemings have won a place in this society, and that in a way that was regarded as quite impossible 20 years ago. Let me give an example. In 1970 the establishment of an arrangement by which as many Flemish ministers as French-speaking ones were named was celebrated as a great Flemish victory.

"At that time that was regarded as a guaranty of the rights of Flemings. At this moment that arrangement constitutes a stumbling block precisely for Flanders. People are asking, How is it possible that 59 percent of the Belgian population, namely the Flemings, are still going along with this arrangement? This is a specific example of the enormous evolution that has taken place in this country."

Development

[Question] Does this mean that the Flemings have now gotten the upper hand?

Martens: That is expressed a little crudely. That needs to be viewed in less black-and-white terms. In the first place, I doubt very much whether either the French-speaking or the Flemish community would have succeeded in attaining such a high level under any other state arrangement. We have now given a new form to this collaboration. Although it is not certain what the result will be, it is clear that the Flemings have experienced a enormous development since World War II, culturally, economically, socially, and politically.

[Question] Yet it is asserted that Flanders lags behind the Netherlands in all this.

Martens: Oh, no, certainly not materially, nor in regard to social legislation. Economically there are indeed problems in Flanders, but with regard to unemployment, it is the same on both sides. I can say objectively only that there are great difficulties especially in the Walloon parts of Belgium.

[Question] And freedom of the press? Not long ago a Belgian paper reported that in the Netherlands the freedom of the press in your country is regarded as a joke.

Martens: When a newspaper is connected with a political party, that is a matter of freedom of choice. That is certainly not encouraged. Most of the papers that are successful in Belgium are independent. It would be hard to assert that DE STANDAARD is tied to a political party.

[Question] But it is CVP-oriented.

Martens (laughing): That is a question of its own choice. It is obvious that political adherence is much greater in Belgium, but that is not to be blamed entirely on the politicians. Often it is quite comfortable to join a political family. It is harder to take action independently.

[Question] How do you really feel yourself about the fact that Belgium has existed for 150 years?

Martens: I believe that a great deal has been accomplished in that time. And although this state is now being changed very radically, there will still be weighty common interests and objectives. The most significant thing is perhaps the fact that we have remained independent for 150 years.

It is true that the independence is about to become a relative matter, since we are about to be integrated into a European political union. Thus on the one hand we are striving for a new internal equilibrium by granting greater autonomy to the two communities, or in fact three, since the German-speakers must be counted in, while on the other hand we are ready to give up national powers in a European union.

Identity

[Question] The Flemish writer Jef Geeraerts, in VRIJ NEDERLAND, called Belgium "a sickness" that "has been hanging on for 150 years now."

Martens: Such crass utterances during the last few years always surprise all over again, because they are made by people who 20 years ago were still saying: The Flemish movement is a sickness we have been suffering from for 100 years. I will not be so unkind as to remind certain super-Flamigants from the world of literature and art of their utterances of 20 to 25 years ago, when it was still fashionable to be Flemish-minded.

[Question] Is there a Belgian identity?

Martens: That exists, but it has changed fundamentally as compared to 1830 or even 1930. During the last 50 years an enormous evolution has taken place, which is expressed in part by the growing consciousness of the Flemish and the French-speaking communities. But the Belgian identity expresses itself more in material achievements, in the style of living, of building. If you compare Flanders with Wallonia, you will see that the same style prevails, even though Flemings and French-speakers approach things in different ways emotionally.

[Question] In the 1960's you yourself counted as one of the rebels against this state. Once you even shouted, "Give us weapons." That was on 29 June 1963 in Wezembeek-Oppeem.

Martens: I never said that; that is a historical lie. What actually happened is that there was a group from the Flemish Militant Order (VMO) standing behind me when I spoke. At a certain moment they unfurled a banner, but there was nothing about weapons on it. In any case, since then there has been a group in the People's Union that has been making that assertion repeatedly. I think they are the same people who screamed about weapons at that time themselves.

[Question] How do you look upon such radical rightist organizations as the Flemish Militant Order (VMO), Voorpost (Outpost), and Were Di [Union of Dutch Working Communities]?

Martens: I see that they grow stronger and stronger as the official Flemish pressure groups are reduced to a few individuals, with no support in public opinion. It still surprises me every time I read that the central committee of such and such an organization has met and passed a motion, when everybody knows there has been no meeting at all.

That motion is the result of what at most two men have doped out. I have in mind here a group such as the Flemish Popular Movement, which formerly numbered some 13,000 members. But since the break-through of the People's Union and the rise of the VMO and other groups, I observe that when there are real demonstrations the VMO and Voorpost dominate the street picture to a very great extent.

[Question] Do you consider it a disturbing development, this radicalization?

Martens: No democrat can tolerate the activities of such groups, for they are not willing to observe the most elementary rules of the game and often engage in acts of violence.

Netherlands

[Question] How did the historical accounts of the Revolution of 1830 strike you as a child and as a young man?

Martens: In the lower school, of course, I had the traditional instruction in history, but later, in secondary school and at the university, I

got a much more nuanced view of those events. It must not be forgotten that many Flemish-minded people are strongly oriented toward the Netherlands.

I mean culturally here, for I have never been a proponent of incorporation of Flanders into the Netherlands. To that extent I have always been very realistic, even from my "Belgicistic" standpoint, as my opponents call it. Personally I have always been strongly oriented toward the Netherlands, culturally, with regard to language, and as concerns our common history, although I am trying very positively to keep this Belgian commonalty intact at this very difficult moment in its history. But I think the two things are reconcilable.

[Question] What elements weigh most heavily for you, the Flemish ones or the Belgian ones? What does "La Brabançonne," the Belgian national song, mean to you?

Martens: As Flemings we have two national songs, the Belgian one and the Flemish one, which is officially recognized. But to me "Wilhelmus van Nassau" [the Dutch national song] is an important symbol, in which the unity of the Dutch language and cultural community is expressed. On the other hand "La Brabançonne" symbolizes the independence that we won. That must not be denigrated, but at the same time it must not be forgotten that our regions, provinces, have lived under foreign rule for a very long time.

And the autonomy that we are getting now we are acquiring within the Belgian state. That is a thing of great value. For this is, as it were, an extension of the independence that we won in the 19th century. Our great handicap has been that that independence came into being in a strictly unitary, French-speaking state which continued to exist for a century.

[Question] But I do not understand why you--with your Dutch orientation--speak in the new state reform laws of the Flemish and not, as you used to do, of the Dutch community.

Martens: As long as the autonomy remained limited to cultural matters, it was justifiable to speak of the Dutch cultural community in Belgium. This autonomy is now being extended to purely political matters, economic and regional policy, the whole sector of zoning, employment, energy policy, the whole health care policy, youth, and family assistance. This political autonomy is comparable in content to that which exists in the Laender of the Federal Republic of Germany and in the Canadian provinces. Well, the Flemish representative assembly decided almost unanimously, in view of the new content, that the name Flemish community must be used.

[Question] But the Walloons do talk about the French community, do they not?

Martens: That is something for them to decide. The consideration also played a part among us that the term "Dutch community" was often taken

abroad as meaning a part of the Netherlands, or as meaning the Netherlands itself. Practical considerations were thus involved, although the concept Flemish community must be regarded in the first instance as the political expression of the Flemish people in this Belgian state. But culturally the constitution still deals with the Dutch language area in Belgium.

[Question] What strikes me is the complete listlessness with which the 150th year of Belgian existence is being celebrated both in Flanders and in Wallonia. Apparently they are in touching agreement with each other on that point.

Martens: There have been Dutchmen that were surprised that we did not put up a monument like the ones erected on the 50th and 100th anniversaries. To me the approval of the state reform is the finest monument. By far the most important thing in the Belgium of today is that a new basis for collaboration has been created and that a minimum of agreement has been reached. Spectacular demonstrations make no sense at all.

[Question] Do you plan to attend the theatrical spectacle that will be put on from 23 to 28 September in Brussels, in which the conflict with the Dutch troops and their expulsion from Brussels are commemorated?

Martens: I receive very few invitations to festivities; as far as the official celebration is concerned, only from the province of East Flanders, because my residence is in Ghent. Actually it does surprise me that the organizing committee is inviting members of the government only if they live in a specific province. But I consider the commemoration of the day on which the parliament was established more important. That will be in November, and the whole government will be officially present there.

Rapprochement

[Question] How, in your opinion, has the relationship between the Netherlands and Flanders developed over the past 150 years?

Martens: I think it is a matter of a very definite rapprochement, and that is to be attributed primarily to television. Many people in Flanders, and especially the younger ones, follow what happens in the Netherlands with great interest. I have only to observe my own children and see how they speak in a very different way from us.

[Question] The question, though, is whether you can speak of a real perfusion here. On the Dutch side there is often the feeling that the Flemings are allergic, for example, to Dutch criticism, and the Dutch are surprised at the Flemish glorification of poets with a war past, and at the Flemish sympathy for South Africa, although you cannot generalize there.

Martens: Ten or twenty years ago that could indeed give rise to violent reactions. But through the media such a degree of common identity has developed that it does not affect the great majority of the people any

longer. For that reason I find what has happened in past years much more important. And then every day I observe anew that the Dutch media exert an enormous political, cultural, and linguistic influence in Flanders.

[Question] In this connection I should like to cite a great expert on Flemish matters. The Dutch writer Jeroen Brouwers wrote not long ago in *VRIJ NEDERLAND*: "The Fleming can endure a great deal, but what the Fleming cannot endure, per se not, never, under any circumstance, is criticism by any Dutchman of his language and literature, however just the criticism may be..."

According to Brouwers the Flemings have only one interpretation of criticism: hatred of Flemings.

Martens: That feeling is entirely alien to me, although I know that such things have existed. For I have lived through the period when in certain Flemish circles there were very sensitive reactions to Dutch criticism. It was easier to say, "Those Hollanders..." for negative comments were always coming.

But in my opinion that has all been broken through; the whole pattern of thinking in Flanders has become different.

[Question] Although you do still very often read jeering and malicious comments on events in the Netherlands and on the Dutch. Not long ago a sports editor of *DE STANDAARD* called the Dutch bicycle race participation in the south of France an even worse plague than the lice and roaches that trouble that area.

Martens: There are still journalists, artists, and politicians who often give evidence of a certain animosity toward the Netherlands. That mentality prevailed for years, but I think the younger generations, who have gotten to know the Dutch culture and environment, react quite differently. For it is and will remain a great phenomenon that a real rapprochement has come about through the media.

[Question] I still cannot entirely rid myself of the impression that all sorts of clichés and prejudices with regard to the Dutch are still entertained in Flanders at all levels and in all strata of the population. The Hollanders are arrogant, have a thick neck. Do you also believe that?

Martens: I have never experienced that myself. That is a thing that has escaped me. I myself have never yet felt bruised by a remark from the Dutch.

Moneygrubber

[Question] And on the Flemish side? I have a quotation here from an article written by your fellow-countryman Johan Anthierens: "How does a Belgian look? Not pretty. He is a shopkeeper, a sharp dealer, a money-grubber, a Catholic, a character in the derogatory meaning of the word."

Martens: I consider it a fortunate circumstance that most of those things have never come to my notice. All I can say about it is that such quotations leave 99 percent of the Flemings completely unmoved. And as far as that is concerned, there is one difference between Flemings and Dutchmen, for in the Netherlands that would cause an enormous hubbub. One time I was involved here with such a thing; it had to do with a song by Jacques Brel. It was all somewhat inflated, but you do sometimes get such a reaction here when slurs come from the French-speaking side.

[Question] The frequently choleric reactions and attacks with which the French-speakers go after the Flemings constitute a phenomenon in themselves in this country. How do such things strike you?

Martens: In contrast to the past, that no longer evokes any reaction in me at all. For we must not lose sight of the fact that this has no relation at all to the real power relationships. The protest is unsound, and it does not affect most Flemings, because it has nothing to do with reality.

[Question] But I can imagine that other population groups do not react so laconically, because their position is less favorable. Such as the Flemings in Brussels and the German-speaking Belgians. Not long ago when a German-speaking member dared to speak in the provincial council of Luik, he was immediately shouted down as a "new Hitler."

Martens: Those are indeed the two sore points that still remain in Belgium. For I will not deny that conditions still prevail in Brussels that are unacceptable to the Flemish community. As for the German-speaking community, it is getting the same rights as the Flemish and the French-speaking communities, with a legislative body of its own, and will enjoy through that body a considerable degree of autonomy.

[Question] Opponents of your state reform say that in essence nothing will change, because the French-speakers' positions of power in important sectors such as the banking and insurance system will remain untouched.

Martens: I have never contended that the state reform would bring about great changes in Belgian social, financial, and economic relationships. It is evident that these circles will retain their influence even in the Flemish region, and may even be able to strengthen it.

[Question] And King Baudouin's position? How will it look?

Martens: That is a delicate question. Thus far the monarchy in this country has played its part excellently as arbiter, in establishing equilibrium, in political decision-making. But there will be a change in this when Flanders and Wallonia acquire more autonomy. An important part of the legislation will no longer be the responsibility of the national parliament, but rather of the independent executives. This will create a new situation for the royal house, but I am convinced that the king will know how to adapt to it.

[Question] That does not alter the fact that in the new Belgium many Flemings will regard the monarchy as a French-speaking symbol par excellence.

Martens: That is not so. I have always spoken Dutch and nothing else with the king and indeed with every member of the royal house. And that is such an important truth for every Fleming that I am telling it to you now.

8815

CSO: 3105

MARTENS DISCUSSES VIABILITY OF STATE REFORM

Brussels KNACK in Dutch 13 Aug 80 pp 20-22

[Interview with Wilfried Martens, prime minister of Belgium, by Frans Verleyen and Johan Struye]

[Text] Not 3 months after the Martens III cabinet was sworn in on the radiant afternoon of Sunday 18 May, it got its state reform through parliament last week. Except for Brussels, which still remains. We do not talk about Subsection 107 any more, because after a full 10 years' delay that provision is now enforced as a matter of course. For the first time since 1856 the leading Flemings no longer need send their grievances on stamped paper to alien administrators in the capital, but can now take care of them at home in their autonomous region. For the last 6 weeks Prime Minister Wilfried Martens, CVP [Social Christian Party] has in an outstanding way dominated not only parliament but also the press. The whole thing, which seemed so unattainable only last March, has now been worked out in the proper manner, entirely within the representative assembly, by and for the persons mandated for the purpose by the nation, with no interference with free expression in party committees, on television, and in insurance clubs, unions, and newspapers. It was not until Saturday that the prime minister, on the steps of the air force plane that was belatedly taking him away to France for a rest, commented again for the first time in weeks on his state reform.

[Question] Twenty-two years ago young Martens demonstrated for at least one Flemish day at the [Brussels] World's Fair. Last week as prime minister he sewed up his bills for self-government. Was that the fulfillment of a youthful dream?

Wilfried Martens: In 1958 I had not gotten that far myself. At that time it was only a matter of enforcement of the language laws of 1932. The language legislation of the 1960's grew out of that demonstration. But the realization rapidly grew upon me that language laws were not enough, that we must possess our own political structures. No mortal man knows, of course, what the future has in store, but if ever there has been a political idea that was systematically striven for and put through, it was this state reform. In the 1960's there were perhaps only a dozen or so of us Flemings that advocated that idea, and now less than 20 years later it has been carried out. I remember the congress of the Flemish Popular Movement of 4 February 1962. Most militants at that time found it out of place to concern themselves with it. Yet we got an excellent, long, reasoned-out resolution passed. I was so naïve at that time as to believe that the resolutions of congresses were read and that they had some influence. To my disillusionment, the text was *not* printed in DE STANDAARD next day. I was a teacher in the college of Eeklo. During the lunch hour I called up the editors and they promised me that they would publish it the next day. It has yet to be published. That idea was too radical at that moment. Many in the VVB [Flemish Popular Movement] considered that it was not the movement's business. What they had to do was get the *language legislation* enforced.

[Question] Are you really convinced that this not very large-scale reform can function, with regional representative bodies that are, after all, only branches of the national one?

Martens: The important point is having our own executives from the time that they leave the central government. Hugo Schiltz agreed with that position in parliament. But practical consequences are already manifesting themselves. Minister Galle [of Flemish community affairs] turned up at the cabinet meeting last Friday (8 August) with a proposal for a special regulation of the surface waters for the Flemish region. I had to point out to him that from 1 October on the national parliament will have no competence in that matter, and that the Flemish executive will then have to turn in a draft decree to the *Flemish Council*. The institution which will be presided over by Rik Boel and which is no longer called the Cultural Council nor yet the Council on Flanders will now have to act in a legislative capacity in those fields.

Transition Period

[Question] But the Flemish executive cannot get very original stuff served up to him by his own council, since the same council members will be wearing another hat in Brussels as the national parliament, and can hardly pursue different political priorities there and at home in their own region. Does that not contain the basis for getting a new constitutional process under way soon, working toward new constitutional changes?

Martens: I will not deny that there will first be a transition period, during which the councils, until the first elections, will consist of

senators and representatives. Once the senate has been reformed, the regional councils will consist solely of *senators who have been elected solely on the basis of the regional and cultural mission*, and who on the national plane under that hypothesis will retain only a very restricted competence, as in every federal state. Or else that reform may not go through; parliament must decide that. On that matter I differ fundamentally in opinion with Hugo Schilz and I believe that it was one of the pitfalls of the Egmont pact that we as party chairmen pressed for a reform of the senate and of the provinces. Now that can be done only by the members of parliament themselves. That is the only path to an attainable reform.

[Question] What will be the next step in your state reform work?

Martens: The next step, beginning in October, will be the negotiations over Brussels, and those will be political negotiations. The principle is that the French-speakers in the Flemish communities must be autonomous at the district and municipal levels, in forms yet to be agreed upon, with an equivalent voice in decisions. In the Netherlands that is called "evenwaardig" [Dutch: equivalent, on a par], and it is not the same as equal in number. The point of departure is that a participation shall be created on a basis of equality.

[Question] Will the prime minister start the Brussels round of talks with an organized government proposal?

Martens: The form has not yet been worked out, whether only the majority parties will be in on the discussion or the opposition as well. My preference is for everybody to be involved in it.

[Question] Considering your youthful dream, do you not regret some of the things that have been done to your child the state reform? Has it got everything it needs?

Martens: Obviously Brussels is still the big worry. For that reason I feel that the work is not over, in contrast to what perhaps many Flemings believe, as if we could get along if necessary without a settlement of the Brussels question. I know the local conditions too well for that. But I believe there are few who live as I have to see an ambition of years realized democratically and through a process of pure persuasion that has lasted for years, against the most complete indifference, and see it become the doctrine of the state in less than one generation.

[Question] Is it a load off our mind?

Martens: Some, of course, cherish the feeling that this or that does not go far enough. But my report to the VVB congress of 1962 was couched in moderate terms. I myself have thought a great deal about whether there must still be a common authority, about what the common interests were. I am no advocate of a Belgian state in the abstract, but I am convinced, for example, that what the labor movement has achieved in this country

collectively and jointly must be preserved that way. That has been a conscious choice. Autonomy was possible, a strong authority was necessary; that was a slogan that came directly from me. The demonstrators that were carrying banners when I was may have thought differently about that. The per capita income then was still higher in Wallonia than in Flanders. It is easy to say, of course, that there is no further need for Belgium; then everything would be for us.

[Question] Does the rest of the world realize that Belgium has acquired an obstacle?

Martens: Our esteem had gone down badly, partly because one government after another had capsized over that incomprehensible question. I am now sure that the fact that we have succeeded in making a positive decision will show our partners in the European Community and everybody else that there is still a chance of survival for this state. That is more important than all the rest.

[Question] Have Helmut Schmidt and the others sometimes made that felt?

Martens: Decidedly. Of course, I am always pointing to the model of the Federal Republic [of Germany], which matches ours wonderfully in the division of powers, but Schmidt himself is more inclined to remind me of the difficulties that the federal government encounters with the autonomy of the individual states.

[Question] Shall we have less trouble with centrifugal forces? How well satisfied is Wallonia?

Martens: Undeniably a heavy mortgage has been settled, but on language questions and the like I expect those forces to make themselves felt for a good while yet. But it is important that it has again become possible for a number of relationships of trust to develop that are essential for the formation of governments and for the functioning of parliament. A turn has been taken in political morality as well.

[Question] Will it ever again be fun to take part in the Belgian political structures?

Martens: The autonomy of the existing executives has been limited in the past to signing the documents that were kindly pushed at them by the administration, which was still central, and nobody has fought for that autonomy. But now it is constitutionally and legally established. Now the executives cannot get out of the responsibility that is imposed upon them. I have to tell the ministers: Take this to somebody else; take it to your Flemish Council.

[Question] But how profitably will that work out in our big industrial chart that has already been set up vertically by sectors and for all of Belgium by Willy Claes and his predecessors up to the year 2000?

Martens: That applies only to the five big national sectors. Computers, electronics, metal construction, and you name it are all in the regional sphere.

[Question] Except that the central government can always take over those domains "for technical reasons."

Martens: No. It is plainly stated in the text that the regions exercise full authority in all those fields, within the European and national standards.

[Question] But what can the region really amount to, when such a matter as Zeebrugge [the seaport of Brussels] is still national?

Martens: Nothing less than that they actually have authority in all sectors that are still healthy, and that the few sectors with structural difficulties remain national: steel, textiles, shipbuilding. But the nuclear sector, for example, has become a regional matter. Energy policy, of course, is still a national domain, but *the region will be able, for example, to block the erection of a nuclear power plant.* The region does not have authority over the big infrastructure projects, but it does have authority over the location and the ground plans. The region does not have authority over the construction of highways, but it can oppose their specific location on the map. That is the American sort of conflict between the states and the central administration.

[Question] Are we now waiting for the first big conflict, with a court of arbitration that it has not yet been possible to establish?

Martens: The chamber and the senate have taken very divergent stands on that point. The senate would throw the court of arbitration out of the bill entirely, in the direction of a separate law, so that only the constitutional principle would be established now. In the chamber they are more inclined to suspect the government of yielding to the pressure of the magistracy. The cabinet has shelved the question, or you would get a discussion lasting for months. The government text concerning the court of arbitration was the only Egmont text, by the way, that De Bondt and Hoyaux ever reached agreement on, but those paragraphs found no favor in parliament. We have had to withdraw them.

[Question] Can you, 4 months after Easter, feel any understanding for the handful of nay-voters who once overturned one of your coalitions? What did those people really want, or not want? Or was that only party political jousting?

Martens: They caused the country to miss the chance to carry out an arrangement for Brussels that was in the text. The Flemings made a mistake in not approving our system for Brussels, and so did the FDF [Democratic Front of Brussels French Speakers].

[Question] How much power will your regions really have, when the provincial level does not even have to look to the region? The old Belgian administrative unit has no revenue obligation at all to the regional administrative level, for it will draw its funds directly from the national source.

Martens: The minority parties in the various regions wanted it that way. The PSC [Christian Social Party], the SP [Socialist Party], and the liberals oppose the transfer of powers from provinces and municipalities to the regions. It is a qualitative improvement, however, that the *organization of those administrations* is now being transferred to the regions. That again could not be gotten into the Egmont agreement, only guardianship. The only proponents were the PS [(French-speaking) Socialist Party] and the CVP, and even the latter not 100 percent, and the federalist parties.

[Question] What does André Cools get out of a Walloon region in which he cannot even establish a majority differing with Brussels?

Martens: It is important, however, that André Cools has agreed that the regional executives shall be proportionally constituted for the first 4 years. The People's Union will thus also be included in the Flemish executive, unless it is reduced in an election to 1 percent or less than nothing. Anyway, do we not see every day the example of numerous members of parliament that rely on different coalitions at home as members of municipal councils? The question arises to the extent that the senate in its reform may get a rôle to play in installing and controlling the central government.

[Question] Even since the liberals raised no difficulties about Luc Dhoore's views on saving Social Security, and without any to-do, your coalition has taken up several essential months with the social and economic field. How stable is your cabinet, with the strongly polarized issue of the rockets that are poking their noses up beyond the horizon? Must that be another defeat for the red partner?

Martens: I approach those matters very serenely, in the knowledge that, contrary to widespread expectations, one important way out remains possible and practicable. A calm mind is taboo in politics, but the trend of the last few months indicates that the government has chances of survival to the extent that it knows how to keep quiet.

[Question] With such a strongly polarized cabinet?

Martens: Perhaps the cabinet is excessively subject to polarization externally, but not internally. The whole question, of course, is how the balance comes out, how long the ministers can continue to think and work unanimously. But I see no alternative in the next few years. This government has achieved this and that in its hexagonal form. I do not know, of course, whether it will be able to do that much more, but no other government could do significantly more. The whole Brussels

government continues for the time being to demand a two-thirds majority.

[Question] After the incidents in Antwerp and after the medical troubles in Laken, one might wonder to what extent the weight of the monarchy is confirmed for your state reform. It is said that the king is decidedly not working against your actions, even though he is not following them with increasing sympathy.

Martens: The function of the chief of state will not change in the near future. A time is coming when the king will confirm not only laws but also decrees. But also when the executives may pull out of the government on their own initiative if the monarch continues to play a prominent part.

8815

CSO: 3105

STATE REFORM DOES NOT SOLVE ETHNIC, LINGUISTIC PROBLEMS

Zurich NEUE ZUERCHER ZEITUNG in German 20 Aug 80 pp 3,4

[Report by pmr, datelined Brussels: "The Long Road to Belgium's State Reform. No End Yet to the Linguistic Conflict"]

[Text] Barely a week after the final enactment of the state reform in the Belgian Senate, in a small village close to the French border new and more inflammatory matter has been provided for the unfortunate linguistic conflict between Flemings and Walloons. The Belgian linguistic borders were drawn in 1963. At the time, despite a considerable percentage of Flemish residents, the area around Comines and Mouscron was separated from Flanders and awarded to Wallonia; the reverse action was taken with regard to the Fourons communities in the northeast of the country. Last year, in view of repeated militant statements by angry Francophones in the Fourons communities, some Flemings in Comines recalled the linguistic minority rights guaranteed by law and demanded to be provided with a kindergarten and elementary school where the children will be taught in their mother tongue. Two weeks before the new school year was due to begin (1 September), the municipal council of Comines unanimously turned down this request. It declared 6 of the 18 petitions invalid and consequently claimed that the prescribed figure of 16 applications had not been met. The school project will now have to be dealt with by the Belgian Council of State and, upon their return from vacations, the Martens Government. In the meantime Flemish and Walloon fanatics threaten new operations on the Fourons model.

From Government Crisis to Government Crisis

The incident in Comines clearly demonstrates that the partial autonomy for Flanders and Wallonia enacted by parliament is in fact only a waystage, not the final settlement of the Belgian linguistic quarrel. Prime Minister Martens had earlier stressed just that point. Many Belgians seemed not even to consider this stage particularly notable. Most newspapers in the country devoted hardly more attention to that event than to the usual skirmishes between the government parties. Hardly any of them felt the need once more and in detail to explain to the Belgians the changes which are to occur in the fall of this year. After all, decisions on regional planning, water management, regional economic promotion and energy use

will in future be taken by the two regional executives instead of the Brussels Government. At the same time the construction of hospitals and retirement homes will be up to the two executives of the Flemish and French ethnic communities.

In spite of his countrymen's disinterest, Prime Minister Martens is convinced that the partial autonomy finally enacted on 7 August at last represents a way out of the dead end in which Belgian politics had been caught more and more, from one government crisis to the next. Looking at the long series of failed reform attempts, the onlooker is bound to agree with the prime minister.

The Via Dolorosa

The Belgian via dolorosa originated in article 23 of the Constitution. This sounds quite harmless and perfectly tolerant, stating: "The use of the languages customarily used in Belgium is a matter of free choice." Actually it took more than 30 years from the establishment of the Belgian state in 1830 until a deputy in 1863 claimed this freedom of choice and, for the first time, took the oath on the constitution in the Flemish language. Not until the linguistic legislation 1932-1938 did Flemish obtain a definite status in the administration, the courts and the army. The first legislative draft for a federated Belgium was submitted to parliament in 1931. After World War II the topic gradually acquired explosive force. In 1958 the Centre Harmel published a bulky survey of Belgian ethnic problems. As late as 1961 Flemish and Walloon federalists so far agreed on their goals that they were able to hold a joint congress in Liege. The dispute assumed greater stridency after the revision of the linguistic legislation and the drawing of a firm border between French and Flemish linguistic regions in 1963. Conferences, study groups and commissions followed one another at an accelerating pace. The linguistic separation of Louvain University served as the catalyst. From then on the fronts were drawn and reflected in the political parties also.

In December 1970 the Christian Democrat Eyskens Government succeeded, with the collaboration of the Liberal opposition, to divide Belgium into three regions--Flanders, Wallonia and Brussels--and three ethnic communities--French, Flemish and German speaking--, and to incorporate this division in the constitution. Three ethnic councils were to handle broadcasting and the nurture of the respective language; they began work a year later. The Eyskens Cabinet as well as its 9 successors in the following 10 years lacked the political backing and the necessary two-thirds majority for actually establishing the three regions. Nevertheless the Socialists especially in Wallonia described the joys of regionalization to their voters in steadily more glowing colors. After Prime Minister Tindemans, in June 1974, first accepted in his government one of the so-called linguistic parties--the "Walloon Rally"--, the regionalization of all other political issues was pushed aside. Flemings and Francophones stuck more and more tenaciously to their opposing camps; their conflict was crystallized in the

bilingual capital, Brussels. The Francophones insisted that the capital, housing a majority of French speakers, should become an equal third region and, at the same time, expand to some suburbs where French speakers were well represented though not a majority. The Flemings countered this claim by asserting that the status of Brussels as a third region certainly did not correspond to its assignment as the capital, where both ethnic groups should feel at home. Moreover they considered it unthinkable for the "Francophone oil slick" to expand into the Flemish surroundings.

The 'Egmont Pact'

On 24 May 1977 it seemed as if the breakthrough had at last been achieved. Led by Tindemans, Christian Democrats, Socialist, Flemish People's Union and the FDF [Francophone Democratic Front] agreed in the Egmont Palace to a complicated adjustment of interests to proceed in several stages. In Flanders, however, a storm of protest erupted against the Egmont Pact, which soon engulfed the powerful Flemish CVP [Social Christian Party]. Against the wishes of Wilfried Martens, the young party president, the upper hand was gained by the unitarians who preferred to keep a strong unitarian state, and by the fanatics who considered Flemish interests in Brussels and its environs betrayed. The Francophones tried to hurry up the hesitant CVP by economic blackmail. When the Belgian Council of State discovered constitutional blemishes in the reform agreement, Tindemans resigned on 11 October 1978, in dramatic circumstances.

At this point the well was truly poisoned. The Walloons no longer trusted the CVP. Only after new elections and long and painful negotiations was a new government formed in April 1979, led by 43-year CVP president Martens. Though he had been a convinced "Flamingant" [Flemish militant], vociferously protested the French only signposts at the 1958 Brussels World Fair and organized a march on Brussels in 1962, he was the only member of his party still to enjoy the trust of the Francophones who had in the meantime united in a front transcending party lines. Martens had one strong asset: He was known as a convinced federalist. The Francophones believed him when he promised honestly and resolutely to push ahead with reform. The tenacious and diligent lawyer was not even discouraged when some senators of his own party once again torpedoed state reform in April last and, consequently brought about the downfall of his Cabinet.

Martens--the Last Chance

The Walloon Socialists seemed to appreciate that Martens offers the last chance for having their longed-for regionalization come true after all. In any case party president Andre Cools dissolved the long-standing alliance with the radical Brussels FDF and permitted the Brussels program for the time being to be put on ice. As in 1970 the Liberals--this time members of the government--helped to provide the necessary majority for finally instituting partial autonomy for Flanders and Wallonia.

The Brussels people and their excessive claims have been isolated, at least for the time being. The crew around Martens hopes that Flemish and Walloon federalists will approach the problems of the capital with somewhat greater calm once their own wishes are seen to have been met at least in part. The opposing parties continue to clash with undiminished fury, but Martens seems to expect that he will be able to wrest from the Francophones a certain amount of codetermination for the numerically fewer Flemings in Brussels if, in exchange, the capital becomes an independent region. Not to get the Flemings dander up, Brussels would, however, have to be satisfied with one or two competences less than the two other regions. The capital could, for example, easily yield plenipotentiary powers over farming (which in any case is not carried on in the capital). It is an indispensable condition for a reasonable settlement, though, that Belgian politicians do not allow themselves once more to be harnessed to the cart of fanatically local patriots, whether in Fourons, Comines or Brussels.

11698

CSO: 3103

STATE REFORM PRESENTS FEW INNOVATIONS

Brussels KNACK in Dutch 6 Aug 80 pp 12-13

[Commentary: "State Reform, One Does Not Even Feel It"]

[Text] Thus, the state reform of the seventies, for which so much political blood has been shed and because of which so much honor has been lost, was completed during this unreal month of August. Dead tired, the House and Senate have finally said yes, in God's name, to a pile of texts which do not really contain anything new. After 2 years, it seems that anyone who stopped following the discussions after the launching of the federalist Egmont project did not really miss anything.

The citizen of the reformed state of Belgium will feel practically no change at all. He will not be presented with a new type of politician, he will not receive new kinds of forms in his mailbox, he will not even receive a different kind of election notice. There will only be a few civil servants, who will still remain in their same office but whose files will follow a different hierarchical road, maybe.

The "new" Belgium of the eighties will not have any substantial regional power. Neither does it know what to do with its old, historical problems. In Brussels nothing has been settled. The senators still have not redefined their own task. The money dispute between the Flanders and Wallonia cannot be settled through the current agreement. The matter which started it all must still be taken care of. At best, the reform which has now been achieved, will have a suggestive effect, produce a hunger for more and thus start a dynamic process. In less favorable circumstances, the need for a new constitutional reform will quickly, if not immediately, come to light. Who would care for that any more?

Faced with such questions and doubts, it is appropriate and fair to listen to Hugo Schiltz, and to judge attentively his parliamentary interventions of the last few days. What was he trying to say?

One thing is certain: he has explained his positions clearly, calmly and in a dignified manner. He managed to keep his disappointment within a healthy historical perspective. He did not settle any accounts, but was

very precise in his language. There is even a great deal of mildness in his political judgement: he could understand why Cools allowed matters to take their own course, because the slightest comment entailed the risk of his having to go back to Wallonia again with empty hands. He also attributed the same hesitation to Prime Minister Martens: better this than nothing at all. He was well aware that in the large CVP [Social Christian Party] sandwich, the prime minister and his like-minded federalist associates form a minority against the "unitarists" in the party (who, for that matter, carefully refrained from making trouble) and the powerful provincialists who, with some insisting, won the game. Indeed, the central state will continue to guarantee the income of the provinces (the least democratically ruled political territories), contrary to the original intention of simply eliminating provincial taxes by 1 January 1982, considering that the regions would largely take over the work.

Schiltz wanted to point out that both of the two main strategies of the Flemish Movement in the nineteen hundreds led to nothing. Between 1914 and 1965, there was the first major effort to improve and safeguard Flemish fate within a Belgian state context by means of linguistic laws and Van Calewaert optimism about the numerical majority. The end point of this effort was 1963, with the best possible linguistic laws and facilities in the Brussels suburbs.

However, they did not satisfy. Five years later, the wise statesman Gaston Eyskens announced that "the unitary state has served its purpose" and consecutive administrations started to make a new Belgium. No more language agreements, but political institutions with money, and thus power. The young politician Tindemans, together with Freddy Terwagne, was to prepare a constitutional solution in order henceforth to channel the democratic struggle of interests between the Flemish, the people of Brussels and the Walloons. Result: the constitutional revision of 10 years ago, which, for the first time, recognized the principles and the usefulness of federalism.

At that precise moment, the Flemish began to get lost in their second grand and, this time, federal strategy. Indeed, they agreed to putting the cart before the horse. The matter which should have been the closing piece and final stage of a federalist state reform, namely parity in the government and the alarm bell in parliament in order to eliminate the imbalance in population numbers fairly, according to the federalist way of thinking, was carried out first. This was the basic mistake of 1970. Later on, it was no longer possible to discuss with pure, equal means because the French speakers had already disposed of the prerogatives and veto powers of the future, while the Flemish were still being prepared. This poisoned the whole debate later on and, for example, made Cools so unpopular in the Flanders. And yet, the latter only used the instruments which the constitution handed him in 1970; he never went beyond them. He was only mercilessly skillful.

The period between 1976 and 1980 was intended to complete and polish the work of 1970. It started -- among other things, thanks to the attempts,

which subsequently collapsed, of the Tindemans I administration to involve the federalist parties in national government -- in an atmosphere of Brussels goodwill which had somewhat suddenly arisen. In exchange for an apparently durable "national" role, the FDF [Democratic Front of Brussels French Speakers] proved to be willing to allow the Flemish to join the administrative tables of the capital's municipalities. Egmont provided, through a system of community commissions, that the Flemish would share in holding the municipal funds of Brussels in their hands -- with veto power. Thus, political power.

Alas, this was not to the liking of the innumerable small Flemish authorities who, yet today, carry out their well subsidized actions in and around the capital, without any election mechanisms (as Egmont did specify) and thus according to an internal Flemish system of grants. After Egmont, their committees and commissions would lose their self-evident power. Therefore, their spokesmen, who were not (not yet at that time) part of a ministerial staff, began to smash the Egmont recipe to pieces via the cultural organizations. In order to do this, they successfully attacked the (from a federalist point of view tenable) principle of the French speaking individual rights in the Brussels suburbs. This famous "right of inscription" did not affect Flemish territory, but kept on summoning the image of the oil stain. The Flemish Movement proved unable to stand this (moreover dying) image and succeeded, via a tangle of party political actions and to the electoral advantage of the CVP, to make the Egmont model useless. Federalism ran aground on the frontier obsession.

The reform, which is currently before us, provides for the Flemish to defray the costs of a number of French institutions in the suburbs themselves. This is indeed correct from a federalist point of view, but what a contrast with 1978.

Meanwhile, a great many opportunities were lost. In the past debate there has been little interest for the nevertheless important authority to carry out regional scientific research, or to bring development cooperation under regional institutions. These sectors concern at least 100 billion francs, but strangely enough they produce too little appetite.

This is the way it goes with all important policy areas. The regions (in the Flanders merged together with the cultural community) are given /residual/ [in italics] powers. In other words: those powers which the central government is willing to /leave/ [in italics] to the little ones, good for one-tenth of government expenditures in general. These table crumbs are not even well known. The approved texts do not tell us precisely when a piece of "economic expansion" is regional or not. Furthermore, they note that the central government can take over these kinds of things when it is better able, from a technical point of view, to handle them. When is this true? The lack of clarity in this regard only bodes new political fights and not simply good management. Indeed, the major economic plans, such as those in the steel and textile sector, are already fixed on a national basis because of the dull tenacity of Willy Claes and to the joy of the sectors

involved which are still taking full advantage of the Community balance sheet: of the money that is necessarily being spread around in the Flanders, and vice versa.

There is no more a clear and distinct distribution of powers in terms of social policy than there is in terms of economic policy. Schilts believes that the regions will be no more than pay-windows. As a matter of fact, the standards and criteria continue to be set by the national authorities.

Because there will not be a really autonomous political life in the regions and communities. Their regional parliaments continue to be branches of the House and Senate. Their members will simply be wearing two caps: in the morning a Belgian one and in the afternoon a regional one. It follows with near certainty that the national government coalitions will be the same as the regional ones. Indeed, it is unimaginable that a senator might build up an administrative power in his region which sees things differently than the central government to which he has given support in the Rue de la Loi.

It follows that Cools may as well forget his dreamed of progressive coalition in Wallonia, if it does not come about in the country as a whole. Could this have been the intention of the whole operation?

Meanwhile, Brussels just sits there, without regional institutions, in the grip of the strongest. Meanwhile, the Council of State, a very static and decidedly not federalist inspired body, continues to settle conflicts between regional and community bodies. Because the law still has to determine the composition of the court of arbitration. The constitutional legislator did not seem capable of doing this in recent months. Thus, for a long time to come it will probably be the magistrates of the Council of State who will have to determine or interpret the scope of Belgian federalism. Such a situation is, in Schilts' opinion, inconceivable in a normal game between federal states. Thus, the constitutional review of 1980 contains all the seeds of the 1965 one. We can only wish the people of that time good cheer.

CHAMBER OMITTS BRUSSELS FROM STATE REFORM

Brussels LE SOIR in French 1 Aug 80 p 2

[Article by J.v.H.: "Chamber: When Brussels Sees Itself Omitted From State Reform"]

[Text] "You were once a hope for us. Today that hope is only an immense deception. Tomorrow you risk being a source of regret. You could have been a last recourse. You will only have been a footbridge to cross the difficulties of one day!" It was with these pathetic words that Mr Lucien Outers (PDP), a former minister, ended his speech, addressing himself directly to Prime Minister Wilfried Martens in the marathon debate which occurred on Wednesday [30 July] in the Chamber on the reform of state institutions. At the beginning of the evening 27 speakers were scheduled to take part in the general debate, but among them there was not a single French speaking socialist!

The Chamber was called on to examine together two draft bills for State reform: the draft bill calling for a special majority, organizing the regions and communities (bill 727 which has become bill 434, already adopted by the Senate) and bill 619, a draft calling for a simple majority which covers more specially financial means which will be provided to the regions and to the communities. First of all three of the four reporters were heard. Mr Jos van Elewijck (SP, Antwerp), speaking in the name of the Flemish socialists, had the occasion to recall that the government had promised to make a decision on the water agreements [traites de l'eau] before the end of the Parliamentary session. "Thus," he said, "the negotiations with the Netherlands can resume."

For Mr Le Hardi de Beaulieu (PSC, Charleroi), reporter on bill 619, "This concerns one of the most important bills in the history of Belgium. It is called on to provide a new face for the country. The work is not yet over. It will still be necessary to put in place the third region, 'in a reasonable period of time,' as the State Council said."

The reform should be completed on certain points and particularly as concerns the place and future role of the Senate and of the provinces. The Christian-Socialist reporter nevertheless recognized that the reform, however important it might be, does not provoke much enthusiasm. Questions and uncertainties remain.

Mr Persoons: "A Stage in Being Placed Under Guardianship..."

The first speaker to take part in the discussion was Mr Francois Persoons, in the name of the FDP group. For him the bill is frankly unconstitutional, to the extent that it does not respect Article 107(4) of the constitution, which creates three regions in the country. Further, the bill does no less than organize a new, subordinate body. The bill attacks the fundamental principles of our system of laws, notably when the State collects certain taxes which pertain to another governmental body. With regard to the powers conceded to the regions and to the communities, they are limited. Certain fundamental decisions like aid to the handicapped, water, and energy are reserved to the central government. The draft bill provides nothing in the impoverishment and the placing under guardianship by Flanders of the people of Brussels and of the Walloons. "Why," it is asked, "make Brussels an enclave if it is not in order to annex it later on? By means of these bills there looms on the horizon the following stage, which is to have Brussels administered by those who have not been elected by the people of Brussels into a "capital district" [Rijkgebied], they have depersonalized matters handled on a personal basis."

In the name of the United People's group [Volksunie] Mr Hugo Schiltz began by regretting the absence from the chamber of certain reporters. This was also the case in the committee stage of the bill. There has never been such loose treatment of parliamentary customs. The method of work chosen is also a precedent for the future. The manner in which the bills have been considered, both in the Chamber as well as in the Senate, is a caricature of bicameralism.

This second attempt to federalize the country, Mr Schiltz continued, offers little satisfaction to the Flemish. "They have given a great deal and have received little in return." Through a simple article hidden in a basic law one could, at any time, he said, change the keys to the division of grants or the refunding of taxes. The reform envisaged hardly provides a solution to two fundamental problems: Brussels and its boundaries and the division of economic and financial resources among the regions.

The "Last Clearminded Patriots"

Mr Lucien Outers (PDF) then reviewed the history of the different community agreements (Egmont, Stuyvenberg, etc) and of the successive repudiations of them. "We did not leave the government," he recalled. "They threw us out with the complicity of the French-speaking parties. If the latter had resisted in some other way than by signing manifestoes, which they repudiated on the following day, we would not be in the present situation. There is our motivation: to save the country through ensuring the autonomy of its respective national components. For those who are inspired by these motives, the federalists were the last clearminded patriots of this country. I am one of those who believe that by not following them Belgium has had its last chance taken away of surviving as a State."

Then going on to analyze the draft bills, the speaker considered that this is not a "real step towards federalism," because no essential problem has been resolved. These problems have been put off until later. Regarding the problem of Brussels: "A third of the reform program has been left blank."

Mr Outers then revealed a comment of Mr Diegenant (CVP, Brussels), according to which Brussels is the capital of Flanders! He then noted that other essential problems have not been resolved: the settlement of disputes, the future of the provinces, the future role and composition of the Senate. The speaker again exclaimed: "For Brussels, they are violating the Constitution! If a solution is not found, within a reasonable period of time, you will be in the most total state of violatica of the constitution. What will you do then? What you are in the course of creating is a matter of exceptional gravity," the Brussels deputy concluded, who then addressed himself personally to the Prime Minister in the terms reported previously. "You deserved better than that," Mr Outers stated. "History, no doubt, will be unfair towards you..."

According to Mr Joseph Michel, the reform under consideration is an historic matter. It represents the first chance for effective regionalization offered to the country. However, the speaker warned his colleagues against "the difficulties which could arise from it."

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CS0: 3100

YOUNG PVV FORM OPPOSITION WITHIN PARTY

Brussels KNACK in Dutch 6 Aug 80 pp 16-18

[Interview with Guy Verhofstadt, president of the young PVVs, by Frans Verleyen and Hubert van Humbeeck: "The Angry Finger of Guy Verhofstadt -- Savings Is the Word"; date and place of interview not given]

[Text] More than a year after having been elected president of the PVV [Party of Liberty and Progress] youth, the young Guy Verhofstadt from Ghent is still holding his own in the political arena. Verhofstadt immediately went forward at full steam: as a matter of fact, last fall he and his friends succeeded in getting a major part of their radical-liberal manifesto ratified by the party's ideological congress, an unprecedented event in Belgian politics. A fortuitous circumstance, people thought, but Verhofstadt continues to climb the barricades. When the PVV joined the Martens III administration in the spring, the young people established a shadow cell, which closely follows the work of the government and particularly watches the liberal excellencies themselves. In the meantime, Verhofstadt is getting ready for the confrontation which, according to him, must inevitably come about in the near future. In his opinion, this would be primarily a philosophical clash between the liberal and the collectivist view of society.

[Question] A much heard criticism at the time of the establishment of your shadow cell was that, with every serious test within your own party, it would be practically inevitable that you would end up in the opposition. How is the relationship between your organization and the PVV developing?

[Verhofstadt] Wonderfully Well. We have noted that with our latest memorandum of evaluation we are on a level with the party. Like us, the party also rejected Willy Claes' textile plan, while we have also taken the same positions in terms of social security. That is a significant phenomenon, and I believe that the effect of the congress of Kortrijk is beginning to be felt only now. In the sense that, in its statements, the party clearly tries to stay within the spirit of that congress.

[Question] Could you quickly tell us what that spirit was all about?

[Verhofstadt] A tough attitude is being adopted now. If a social security deficit of 38 billion francs will have to be absorbed in 1981, it is an important decision of principle not to accept any tax increase. That congress also agreed that in the next few years, society will have to watch primarily for a combination of collectivist and conservative forces, of which the textile plan is a typical example. With three new public institutions, participation in enterprises, government bonds, etcetera. Claes wants to make the whole textile sector dependent on public enterprises and this meets with the full agreement of the employer's organization FEBELTEX [Belgian Textile Federation], because they are quite willing to accept the money from the state. Our analysis at Kortrijk noted that nearly nowhere is liberalism defended anymore, not even in the business world. The government and the business world together work out plans in which they make all kinds of deals with each other. The textile plan is a typical example of this, and this is why I am so pleased that we are on the same wave length as the party on this specific issue.

[Question] The original intention of your shadow cell was to follow the implementation of the government agreement, especially in terms of the economic-financial arrangement. Do you agree with what has been happening in this area so far?

[Verhofstadt] Up to now, we have gone through two stages. The first stage was the implementation of the government agreement, and this has now been completed. As far as the results were concerned, we did agree with the reforms, but not with the measures which were taken to get this far. Indeed, it was much more a question of shifts in accounting and technical steps than of real savings.

[Question] At one time, you yourself said that the only concrete savings consisted of 270 million francs in the Public Health Care budget, didn't you?

[Verhofstadt] That is right. The remainder are only technical steps, the transfer of reserves, and the like. Reforms were announced, but it was never said how they would be carried out. That was the first stage, and it is past now. But the second stage, which is in progress now, is more dangerous and more difficult. What is at stake now is the textile plan, social security, the absorption of the deficit in this sector before next year, the 1981 budget with new reforms included, and the army. Four, five major problems for which a solution will have to be found in the coming months.

[Question] It looks as if the confrontation can no longer be avoided.

[Verhofstadt] No, because the positions have been clearly determined. And this is certainly the case with regard to the textile plan and social security. Prime Minister Martens and Minister Dhoor want to increase the

quasi-taxes by 1/4 billion francs, and this we cannot accept, and neither can the party. The government agreement does not state anywhere that the deficit must be partially eliminated by an increase of the amounts. That text only mentions reforms, and we are sticking to this.

Insurance and Security

[Question] But then you are fully backing the VBO [expansion unknown] plan, which is also one-sidedly keyed to reforms, aren't you? Will the purchasing power not be affected this way?

[Verhofstadt] When is the purchasing power affected? Population groups with low incomes have a high rate of consumption and a small savings rate. This savings rate does not represent purchasing power; it is not used. With high incomes, the savings rate is relatively higher as the income goes up. Now, a reform plan could be implemented which would require an effort primarily by the higher incomes, which would then not consume less, but rather save less. This way, the consumption and savings rate of lower incomes will not be touched, and thus purchasing power will not be affected. Consequently, it comes down to carrying out reforms so selectively that they only have repercussions on the higher incomes.

[Question] What measures do you propose then?

[Verhofstadt] In our second evaluation memorandum, we listed a series of 15 measures, which should be adequate to eliminate the 1981 deficit. They are, for example, the gradual reduction of unemployment benefits for households with an income of more than 750,000 francs, the elimination of a family allowance for the first child, albeit with a tax deduction for lower incomes which would get smaller as incomes rise. Another example in the health care sector is that small costs would be borne by the patient, except for income brackets below a certain level and for widows, invalids, the handicapped and orphans. But we would, in any case, always like to be more selective, we would like to move from the concept of social /insurance/ [in italics] to the concept of social /security/ [in italics].

[Question] Don't you also have to take into account though that your party belongs to a coalition, in which, moreover, the PVV is the smallest partner? The socialists, for example, do not agree with important points in your program; they cannot imagine how they could presently tell their militants that people with an annual income of 2.5 million francs should also get a substantial tax reduction.

[Verhofstadt] I think that the socialists are misrepresenting the matter. Only the net result is important. By means of splitting and decumulation, there will be a tax reduction for the lowest as well as the highest income groups. If, on top of this, reforms are also implemented, as we have proposed, then the lowest income groups would keep all their social benefits, while those of the highest income groups would go down. When we add all this up, the lowest income groups get a tax reduction and retain the social

benefits. For them, this means a net profit. The highest income classes, on the other hand, do get a tax reduction but they also get less social benefits. In my opinion, it should also be possible for a socialist to defend such a plan. Only, the problem probably lies elsewhere. It may well be that the problem lies in the fact that the liberals want to solve the crisis by de-collectivizing society.

[Question] Thus, you want to go from social insurance to social security, but in doing so wouldn't you be carelessly chopping a pillar down from under society, a pillar which has been there for 30 years already? Can you understand that DeBunne and Houthuys cannot simply go along with this?

[Verhofstadt] That may be true, but insurance with a bankrupt company is not valuable either. An insurance company usually has a guarantee fund for such circumstances. The government does not have that, unless we head for the IMF next.

[Question] Anyway, soon a choice will have to be made; a compromise does not seem possible; it will have to be one or the other. With regard to the textile plan, for example.

[Verhofstadt] There is no mention anywhere in the report about our textile sector, issued by the McKinsey study center, about the need for three new public institutions. The report did note the problems and the manner in which they could be solved, but it does not say anything about the road to be followed to achieve this. The McKinsey report saw primarily two major problems: a problem of logistics and a financial problem. The latter point is not peculiar to the textile sector; it applies to a whole series of sectors. Thus, it is our conclusion that no specific measures in the area of financing should be proposed for the textile industry, but general measures which apply to all sectors. The logistical problem is indeed peculiar to the textile industry: there is a lack of good research, design and marketing, and of a trade organization for small enterprises. To meet these problems, Willy Claes wants to set up a single large public enterprise which would organize all these services for the enterprises. He wants to hire designers, carry out research, etcetera, and if they want to enjoy these advantages the enterprises would have to participate in this plan. We, for our part, perceive precisely the same problems, but we postulate that the enterprises should receive financial */inputs/* [in italics] in order to attract a good designer, to carry out research, to add a marketing service, and so on. And this is possible within the framework of the existing expansion legislation. For example, an enterprise could receive a no-interest advance in order to be able to attract a certain designer. You see, it is a purely ideological question. We want to achieve precisely the same thing, but by a different road. We want to show that there are liberal ways to make restructuring plans for sectors in difficulties, that there are liberal ways to carry out a social policy.

Hare and Turtle

[Question] Not too much has been said yet in this country about a policy of free prices, such as the one Raymond Barre proposed in France, has it?

[Verhofstadt] We once did bring it up, but the other parties did not like the idea. Indeed, a free price policy does belong with a liberal economy and I believe that, for many products, it would result in a price reduction. As a matter of fact, I would not apply such a policy all across the board, but I would start, for example, with products about which it is known that the price would go down.

[Question] Such as bread, for example?

[Verhofstadt] In my opinion, a free setting of prices could have two consequences. First of all, the cooperatives, which produce the bread on an industrial scale, would have difficulties, because the price is a safeguard for them. But, on the other hand, the small self-employed bakers would once again get more opportunities, and they would be able to supply bread to the consumer at a cheaper price. This is not bad in and of itself, it means an increase in the citizen's purchasing power.

[Question] What do you think about the attitude of the liberal Minister of Defense Foswick, who wants 10 percent more in his budget for next year?

[Verhofstadt] If there is a need to economize, then this must be done in all departments, and thus also in the Ministry of National Defense. That is possible. Not by no longer allowing tanks to run or airplanes to take off; that is nonsense, to be able to say that we do not have an operational army. The real reform in the Ministry of Defense will have to consist of checking the efficiency of all those administrative services. But Foswick is not doing this, he is opting for an easy solution.

[Question] Still in connection with your tax theme: a partial shift has developed from direct to indirect taxes. Don't the people have to pay for that too?

[Verhofstadt] Oh, but that is a CVP [Social Christian Party] option; no liberal or socialist asked for this during the negotiations. The tax reductions proposed by the PVV during the negotiations would have cost the state 50.7 billion francs over a period of 18 months. And that had to be absorbed. Moreover, there had to be a further reform to reach a total of 82 billion. As a matter of fact, do not forget that cuts had to be made, not only because of the tax reduction but also because additional credits had been requested, because the 2.2 percent operation had not yet been completed, etcetera. It was primarily the PSC [Christian Social Party] which then suggested that one of the most important means of jacking up the economy and stabilizing the balance of payments is an increase of indirect taxes. Furthermore, this way the PVV would not get the full electoral advantage of its tax reduction either. Anyway, this increase of indirect

taxes would yield 17.3 billion francs over these same 18 months. This reduces the net tax reduction to something on the order of 32 billion. In our opinion this was not necessary, we could also have found this money in a different way. Specifically, through reforms, which we will certainly have to do in 1981.

[Question] Nevertheless, the citizen feels that this government is one that costs him money. The sociological symptoms are already discernible: fewer vacations abroad, a reduction of car sales, a reduction of gasoline consumption ...

[Verhofstadt] It is obvious that the people would immediately feel an increase in indirect taxes. But there will be a time when, everything put together, they will ultimately have paid 32 billion francs less in taxes. That is the net result.

[Question] Thus, the general feeling of high cost is based on an optical illusion?

[Verhofstadt] Yes, and that feeling will gradually disappear when people are also able to evaluate the measures relating to direct taxation. But there is the danger that the reform of social security, the elimination of the social security deficit for 1981 and the 1981 budget nevertheless include quasi-tax increases, increases of social contributions. The danger does exist that the 32 billion francs would turn out not to be 32 billion after all. We have to prevent that, we must prevent the turtle from outdistancing the hare again. To keep the tax reduction in the direct area from being nullified before people have been able to feel it. If that were to happen, then the liberals should withdraw from the coalition.

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CSO: 3105

INTERIOR MINISTER BAUM INTERVIEWED ON CAMPAIGN ISSUES

Bonn VORWAERTS in German 14 Aug 80 p 4

[Interview with FDP politician Gerhart Baum on Bundestag elections by Peter Kutschke: "'Coalition Must Stick to Its Course'"]

[Text] The Free Democrats, though coalition partners of the Social Democrats, are also opponents of theirs in the election campaign. There are the 5-percent clause, codetermination, and delimitation efforts. To what extent is the election campaign determining the relationship between SPD and FDP? VORWAERTS conducted an interview about this with Gerhart Baum, member of the FDP Presidium and federal minister of the interior.

VORWAERTS: You particularly are the focal point of especially strong attacks by the CDU/CSU. How do you explain that?

Baum: The polemics come primarily from the CSU. It rejects with particular vehemence the liberal-constitutional-state course which recently has been confirmed so unequivocally by the FDP party congress in Freiburg. With Strauss, such a course would in fact be impossible. Moreover I am among those people in the FDP who made active efforts toward this coalition. The attacks on the constitutional-state policy of the FDP are based on the calculation that the CDU/CSU only has a chance if the FDP suffers considerable losses at the Bundestag elections.

VORWAERTS: The CDU/CSU reproaches you for minimizing the "left danger." The crucial term is popular front. As minister responsible for the constitution, do you see this state in jeopardy at the hands of communists and their alleged stooges?

Baum: Election results are a more reliable indicator than the polemics of the opposition, and they show the DKP as well as the NPD to be in political isolation. The liberalism we advocate in this government together with the SPD gets under the skin of at least part of the opposition. We Liberals

hold the view that state and society have to live with certain risks if there is to be what we consider a free society. The CDU/CSU does not assign civil rights the same priority as we do.

VORWAERTS: For example?

Baum: For instance, the CDU/CSU position concerning the so-called radicals decree obviated the measures of the coalition aimed at reducing the distrust of the young generation in this state and its organs. I am very much concerned about these younger people, despite our efforts, turning away and oftentimes giving up. In the long run we can win them over only through a more offensive liberalism.

VORWAERTS: What does this mean as far as your responsibility is concerned, for instance?

Baum: Our demand is that in the area of security too the public interest must not take absolute precedence over the citizens' civil rights. Here the coalition too must now stick to its course, precisely during difficult phases when the opposition sees itself in clover again. The successes of our security authorities have shown that this policy strengthens rather than weakens their work.

VORWAERTS: In the final phase of the last Bundestag, there was some trouble in the coalition, with majorities fluctuating; and after that some points of dispute arose. Is this part of the election campaign, or does it go deeper?

Baum: The coalition would have deserved a better finale. Over a period of 11 years it has jointly solved all difficult questions. The fund of joint basic convictions continues to be large enough. The fact that the CDU/CSU does not have a chance must not lead to conflicts between the SPD and the FDP worsening unnecessarily. Of course there are differences which must be pointed out...

VORWAERTS: What kind?

Baum: The FDP is independent vis-a-vis the trade unions. It is not a party of business, as some people used to want it to be. We affirm the task and function of the unions. Without them this successful sociopolitical development of the Federal Republic would not have been possible at all. But we Liberals here too assign priority to the individual. Thus we understand codetermination as the personal right of the individual worker, whereas the Social Democrats regard it primarily as a means of strengthening the unions.

VORWAERTS: Now the question is on the agenda again....Everyone has his clear stand there. The expansion of codetermination was therefore one of the most difficult legislative projects of the coalition. There were many who thought that we lacked the strength for it. This joint success cannot be questioned now.

VORWAERTS: To what extent would a special session of the Bundestag about codetermination in the coal and steel industry affect the coalition if the SPD and the labor wing of the CDU were to vote together?

Baum: Precisely that kind of situation ought to be avoided.

VORWAERTS: Can one already say for sure that there will be an FDP in the next Bundestag?

Baum: Since the time of the North Rhine-Westphalia election, where the pollsters predicted that we were bound to get into the Landtag, we have been living in a climate of some uncertainty. In other words, we do not rely on favorable prognoses. We have to fight for every single vote until the last day. The election law for good reasons permits the splitting of one's vote, because of course we do not have a two-party system. We will continue to seek second votes.

VORWAERTS: What could induce an SPD voter to vote for the FDP?

Baum: He must realize that for a continuation of a sound Schmidt-Genscher government it is not enough if the FDP attains a bare 5 percent. A sound coalition presupposes that the smaller partner too is strong enough to have its aims paid attention to. Otherwise there will be frustrations reducing the strength of the coalition overall.

VORWAERTS: Is that all?

Baum: An SPD voter who regards the FDP as a complement of his own party (which otherwise, of course, would have to settle a whole number of conflicts internally to a far greater extent than is happening now) is well advised to leave intact this combination in which Social Democrats have to agree with Liberals, and Liberals with Social Democrats.

VORWAERTS: Do you think the SPD is hoping for an absolute majority?

Baum: To be sure, there are SPD politicians and members to whom an absolute majority would not be unwelcome. This is not being stated out loud because it is known that such an objective would also frighten SPD-FDP voters.

VORWAERTS: What are the concrete differences between the FDP and the SPD?

Baum: There are quite a number of points where the Liberals supply decisive impulses in the coalition. Genscher set accents in foreign policy which would not have prevailed to the same extent without us--for instance, in North-South policy, in Africa policy. In economic policy we have regard particularly for those who have a hard time on the marketplace--the small, the medium businessman, the tradesman, the self-employed. I am also thinking of our policy of direct citizen's participation, introduction of the class action. We are for the basic right of data protection and consistently support minorities.

SCIENTIST INTERVIEWED ON FUTURE OF SPACE PROGRAM

Paris LE POINT in French 4 Aug 80 pp 56-57

[Interview with Daniel Sacoite, National Center for Space Studies physicist]

[Text] Daniel Sacoite, a 35-year old physicist, has for some years been occupied with long term perspectives at the National Center for Space Studies (CNES).

Question: The French indeed laughed at the caprices of the Ariane, the rocket which would not take off. Nevertheless the success of the first firing was spectacular. Where does France now stand after the failure of the second Ariane?

Answer: France is very well situated, in third rank beyond any doubt after the USSR and the United States. To become a fully independent space power four conditions must be fulfilled: having a launching rocket, a very complex infrastructure on the ground, knowing how to build satellites, and having an advanced industry available. Such is the case for France, but neither for Germany nor Japan, for example.

Question: When will we be able to verify all these capabilities?

Answer: In 5 years. 1984 will be the great year of French space. There will be launched: 1) two telecommunications satellites; 2) a direct television satellite (you will receive transmissions in your home with a simple rooftop antenna, without relays); 3) an earth observation satellite for agriculture, meteorology, geology, pollution surveillance, and territorial development; and 4) a Soviet rocket which will put a French scientific observation balloon into the atmosphere of Venus.

These are all the main space activities known to date, to which must be added the metallurgical experiments aboard Soviet and American vehicles and the shuttle with the European Spacelab. Last, a "first": a joint study with the Americans of a program of search and rescue by satellite of persons in distress on the ground, at sea, or in the air. This program is a direct result of the Argos, with which readers of LE POINT are very familiar, since it has been used for 2 years in the Transat.

Question: So much for the short and medium term. Your work relates to the long term, from 1995 to 2000. How are you going about it?

Answer: First of all I try to understand what the Soviets and Americans are preparing. The former are rather secretive. NASA [National Aeronautics and Space Administration], on the other hand, makes some of its decisions public. Sometimes, also, I think about the contracts which it awards. For example, when the American space agency orders a study of the possibility of effecting surgical operations by laymen by means of instruction given on television screens from a long distance away, I wonder to what sort of a program this can indeed relate.

Question: To colonization of the moon? The Americans are thinking about that a great deal.

Answer: Perhaps. I do not yet have a definite answer. All I know is that the surgical study is to begin with a remote Indian tribe.

Question: And next?

Answer: Next I think "French." We do not have the resources to devote our efforts in all directions at the same time. I therefore try to understand what are the indispensable technologies for utilization of space. Industry must be prepared right now. That is not always easy. Long term investment is a new concept in France. Another example. We believe it is more rational to do without men in space. But, if it proves that we must send a minimum number into space we should be ready to do so. That is why we are working on the Hermes, a "taxi" intended to serve as a shuttle between the very last possible version of the Ariane - the Ariane V - and orbiting stations. Hermes will carry a man responsible for maintenance of those stations.

11706

CSO: 3100

ECONOMIC INSTITUTE SEEKS DECLINE IN BUYING POWER

Reykjavik MORGUNBLADID in Icelandic 22 Jul 80 p 48

[Unattributed article: "Purchasing Power of Wages may Decrease by 5-6 Percent this Year"]

[Text] "According to our estimates, the purchasing power of wages will decline by 5-6 percent during 1980. This estimate does not foresee any base pay increases, and assumes an unchanged index. The purchasing power of disposable income will decline by 3-5 percent," said Bolli Bollason, economist of the Icelandic Economic Institute when MORGUNBLADID met with him yesterday. The Economic Institute's overview of the national economy will appear next week.

"We expect a 40 billion krona deficit in the balance of trade, and that will amount to 3 percent of national production. That is a considerably greater deficit than last year's. Not taken into consideration in the overview are any measures undertaken by the government during the rest of the year."

Bolli Bollason noted that the deficit in the balance of trade will arise, in particular, from the deficit in the debt servicing balance. The major increases there are very large interest payments on account of foreign debts, and outlays in connection with communications are especially heavy, that is, outlays for Flugleida operations. The same oil prices currently valid are presupposed in the overview.

National production may increase by 1 percent this year, but due to worsening terms of trade national income will decline by 0.5-1.0 percent. Per capita national income will decrease by 1.5-2.0 percent on account of population growth, and per capita national production will remain the same. Taken into consideration in the overview of national production are changes that are taking place in the sale of fisheries products, and sales difficulties. Worsening terms of trade will, on the one hand, result from the considerable increase of the import value, caused by exchange rate changes on the international money market, and increasing prices among our trading

partners, and, on the other, from declining frozen food prices on the American market, on the average, from what they were previously. The overview does not presuppose any great decline in prices the rest of the year. Presupposed there is a similar rate of exchange evolution to what has obtained.

Index figures for production costs will be, on the average, 58 percent higher than last year, according to the Economic Institute overview. It is assumed that the index figures for production costs will increase 10-11 percent during the period May-August, and an 11-13 percent increase is presupposed for August-November. In the overview of pricing orientation is to the low estimates of the government.

11,433

CSO: 3111

BRIEFS

1979 BUYING POWER DROP--According to an overview of public wages by the Wage Research Committee for the period 1971-79, purchasing power was greatest in September, 1978, at the end of the administration of Geir Hallgrímsson, and the beginning of the career of the leftist government of Ólaf Jóhannesson, or around 2 percent more than after the so called Solstice Agreement of the summer of 1971. With 1971 purchasing power set as 100, purchasing power after the Solstice Agreement was 117, and 118.7 in September, 1978. Purchasing power has fluctuated since September, 1978, and was the least in November of last year when it was 14 percent less than in September, 1978. This year it has sunk due to a series of blows, and in April purchasing power had fallen to 104.6 in spite of wage increases on 1 March. It is presupposed in the economic overview of the Icelandic Economic Institute, which will be published shortly, that purchasing power will decline by 5-6 percent this year, and no base wage increases are foreseen there, and an unchanged indexing system assumed. At the beginning of this year the purchasing power of wages was 8 percent less than in September, 1978, and since the overview of the Economic Institute foresees a 5-6 percent decline this year it may be concluded that purchasing power will be 13-14 percent less at the end of the year than in September, 1978. [Text] [Reykjavik MORGUNBLADID in Icelandic 23 Jul 80 p 32]

TRADE DEFICIT CONTINUES--The trade balance of Iceland was unfavorable for the first 6 months of the year by around 32.4 billion krona. The value of exports in this period was around 186.4 billion krona. The value of imports, on the other hand, was around 219 billion krona. The trade balance in June alone was unfavorable by around 25.4 billion krona. Goods were exported to a value of around 36.9 billion krona, and imported, on the other hand, to a value of 62.3 billion krona. Last year the trade balance was unfavorable for the first 6 months of the year by 4.6 billion krona, and in June by around 2.1 billion krona. Among Icelandic exports aluminium and aluminium alloy were the most weighty, or to a value of around 23.3 billion krona. Among imports imports for the Icelandic Iron Alloying Company were weightiest, more than 16.6 billion krona, and for aircraft, around 11.5 billion krona. In making comparisons with foreign trade statistics for 1979 it should be borne in mind that average foreign exchange rates during January-June, 1980, is considered to have been 32.3 percent higher than in the same months last year. [Text] [Reykjavik MORGUNBLADID in Icelandic 26 Jul 80 p 40] 11,433

PCI FOREIGN POLICY OBJECTIVES, TRENDS, RELATIONSHIPS

Rome POLITICA INTERNAZIONALE in Italian May 80 pp 131-134

[Article by Gianfranco Pasquino: "The PCI's Turn Toward Europe"]

[Text] Anyone wishing to arrive at an accurate understanding and evaluation of the PCI's most recent positions and initiatives in the area of foreign policy must examine them in terms of the crisis in the international order, which emerged from Yalta, crystallized in the Cold War, then took tolerable form with detente and coexistence. The world order is now collapsing, not only because bipolarity has failed to permit necessary adjustments within the system and because powerful new political protagonists (such as China) have come on the scene, but also--and chiefly--because, added to the cleavage between East and West, we now have another, between North and South, superimposed on it in part and, in part, differentiating from it. Without exaggerating the seriousness of this rift--which could make it seem that united fronts exist both in the North and South, whereas in fact, what exist are profound divergencies, current and potential--the fact remains that international relations are registering the rise of powerful political and economic protagonists in the global system's "South."

These developments, to which we should add the laborious march toward European unification, were recently given a shot in the arm by direct elections to the European Parliament. They are giving shape to a substantially new situation, in which elements of transformation are added to the elements of crisis. The assertion of new rights by various countries, the energy crisis, spiralling inflation and the impetus toward liberation from colonial and semicolonial yokes all indicate that the international system is changing in both its political and economic relationships. Indeed, since no configuration of a new order marked by stability and the will of nations to correct their faults has emerged, it is permissible to accept the reality of a crisis in the world order (but less permissible and productive, by way of explaining it, to point to a crisis in capitalism).

From a keen awareness of and unflagging attention to these events and their dynamics, the PCI, prodded by internal critics and an intraparty deliberation on the trends of the international system, has taken the well grounded

opportunity to work out a foreign policy with notable dynamics and a range of highly significant options. While all the options are not equal in value, the PCI's policy on Euromissiles, its stern denunciation of the Soviets' intervention in Afghanistan, its search for close bonds with the social democracies in Europe (plus its attitude, similar to that of the European Parliament), and its drastic decision to take no part in any conferences of the communist parties, all make up a composite mosaic which seems to give a new definition to the PCI's rapport with the international workers' movement.

Detente and peaceful coexistence provide the framework within which the Western communist parties have succeeded in unravelling the problems of evolution. As Donald Blackmer, probably the most authoritative expert on PCI-USSR relations, has acutely stated, "In such a world, the ideological barriers begin to break down, anticommunist campaigns begin to lose their vigour, and the possibilities for [communist] alliances with Catholics and other nonsocialist groups begin to increase." Conversely, many observers thought they could foresee a return to the climate of global tension, which would drive the PCI back into the arms of the Soviet Union (as happened in good measure to the PCF). At this point, a question comes to mind: what changes loomed so large in the PCI's perception of the international order that they could motivate such momentous decisions?

The Communists tend to stress the values of continuity in their policies. Certainly there is a good deal of truth in their claim. But it is equally true that a process of total detachment from the Soviet Union and a differentiation of interests will result in instances of deviation and points of no return. Failure to give due weight to these deviations would be bad form and belittling, not to say deceptive. The position taken by the PCI on Czechoslovakia in 1968 is precisely one of these swerves in policy, perhaps the most imposing; without it, the party's protest against the Soviets' intervention in Afghanistan would probably have been less trenchant and not as easy to get away with. Its rejection of the Polish-French proposal for a congress of the communist parties, objecting to its methods and merit, was another notable divagation.

In taking such stands, the PCI implies that something very profound has changed in its interpretation of the roles played by the two major protagonists in global politics. Rightfully the Communists call attention repeatedly to the errors, shortcomings, delays and aggressive policies of the United States (sometimes overstating the USSR's need to "defend itself" from America's imperialistic aims). On the other hand, what appears to have changed is their view of the role they attribute to the Soviet Union. In their previous estimate of the nuclear issue and balance of power, it was the Soviets' job to provide a counterweight to America's overpowering strength; thus, in the shadow of Russia's military force, a Western communist party could grow, if not defended by Soviet might, at any rate securely protected by it. After Berlinguer's famous 1976 description of

WTO as an umbrella under which, despite all the obstacles, it is easier to build socialism, the communist conception veered sharply. It is no longer believed that the USSR's intentions are exclusively defensive; and doubts voiced hitherto concerning the capacity of Soviet missiles installed in the European theater to upset the balance of power have given way to suggestions that the other European governments go to see for themselves what the Soviets are really up to.

In Pajetta's statement that we must "reject the illusion that bipolarity is the last possible goal short of warfare," we should read the Communists' change of heart toward the Soviets, whose actions they now evaluate without any partisan prejudice, but rather on the basis of their consequences and, by degrees, their premises. At this point, the next step would be a dispassionate analysis of the social nature of a regime which resorts to force in order to quell conflicts within its borders and with its neighboring countries.

The objectives. Striving unceasingly to learn and to correct its mistakes, the PCI has come to the conclusion that by now, the community of interests between its own and Soviet policies is extremely limited, moreover that the Soviets' actions not only run counter to detente but also impede the PCI's comprehensive strategy. The party's foremost short-term objectives, again to quote Blackner, "imply a limit to Soviet influence, as well as American, in Europe." To attain these objectives, the Italian Government, together with the nations of Europe, must necessarily recover its political initiative.

In this perspective, we can clearly understand the PCI's attacks on the Christian Democratic Party (which does not hold domestic political interests as a priority target), and its intensive diplomatic activities on the European scale. On the first point, the burden of proof regarding independence from the United States rests with Christian Democracy, its [successive] governments and its ministers of foreign affairs; but its most recent positions have moved in directions away from real autonomy and any political initiative whatever. On the second point, the PCI has set in motion a long-range program, which merits our attention.

The phenomenon called "Eurocommunism" encompassed striking contradictions. First of all, it was not limited to Western European communist parties in that it joined hands with the Australian, Mexican and Japanese parties on many outstanding issues. Secondly, it did not even involve all the most prominent Western European communist parties; the Portuguese never signed any joint declarations, and the French party was always a reluctant partner. But in the main, Eurocommunism saw itself, in the negative sense, as a means of liberation from the USSR and, in the positive sense, as accepting the fundamental principles to which the pluralist Western democracies adhere. With the PCF declining to board the train, the PCI transferred its strategy of alliances on the European scale with vigor and

originality. This means building what is dubbed the "Euro-left." Redefining Eurocommunism, Pajetta has said that "Among its essential characteristics must be the Communists' ability to take on an avant-garde function in reconstituting the European workers' movement."

If this is the PCI's principal goal, then there will be two consequences. First, the price it must pay to establish good relations with the German and Scandinavian Social Democrats, the British Laborites and, most critically, the French Socialists will inevitably cause the loss of contact with the French Communists. Marchais' reaction (like that of the Portuguese Communists) leaves no doubts on that score; furthermore, the PCF's attitude in the Parliament of Europe confirms its sectarian choice. The second consequence: If it goes ahead to build a Euro-left, the PCI must surely follow a parallel policy in the Italian context. But the singularity of the Italian political scene in no way justifies its proposal of a historical compromise with a party which, more than any other, humbles itself before American foreign policy and shows only a negligible will and capacity to exert any international initiative.

A challenge and a problem. From the deterioration in international relations, the Italian Communists have not learned that they must bide their time until the climate improves. Instead, they have issued a challenge to the current order, particularly the conservative forces in Italy and Europe. Precisely because their challenge is directed against the conservatives, the French and Portuguese Communists are affected by it, although in different measures, owing to their different geographical situations. In Italy, the challenge is naturally aimed at the Christian Democrats and the Socialists, who often back down to defensive positions or else vacillate. Logically, however, if the PCI succeeds in establishing consultative rapport and bonds of mutual interest with the various socialist and social democratic parties in Europe, the passivity of the Italian Socialists could soon relegate them to a marginal status at home and on the European scene.

During the transitional phase in which the international system is condemned to transform itself and the European system begins its ascent--that is, in the phase of statu nascenti--the potentials are greater, but so also are the dangers. During the Cold War, Italy bought its subordinate insertion into one of the blocs with a policy of immobilism. If it fails to take forthright action, it runs the risk of paying an economic price during the period of tension which is settling over the world and over Europe, because it is probably the weakest link in the European chain. The PCI's foreign policy would seem to include certain responses to these problems, which we would do well to heed.

One problem remains open. That there is a connection between internal and external factors in the major parties' policies is obvious. But this does not signify by definition that one is persistently exploited to favor the other. In the case of the PCI (as with the Christian Democrats, but in a different way), we can verify phases and moments when the weight of worries

over international affairs has put the damper on internal evolution, and vice versa. In recent times, particularly in the past 2 or 3 years, the Communists' policies on worldwide developments have acquired a remarkable agility, owing to their genuine alarm over the state of affairs in the entire system. But, as we have said, one issue remains open--the problem of the "base."

The PCI chieftains are aware--and sociological research has amply demonstrated--that the affection felt by the Communist rank and file for the Soviet Union and the conviction that the USSR is always right, put (or have put) the brakes on their more incisive policymaking. Hence it was extremely meaningful that Berlinguer should declare in unmistakable terms, "The debate on the developments in our strategy and initiative must be conducted among the party's rank and file so that we can realize the potentialities and innovations in those developments, and in such a way as to give greater impetus to our actions among the masses. Otherwise, we are obliged to delay matters because we are trapped in disputes (already) outdated by the reality of the (changing) world and European events" (UNITA 5 April 80 p 7).

Taking world and European reality as his premise for a searching debate among enrolled party members and sympathizers, Berlinguer is opening the way to a still more "lay" vision of current events, establishing more firmly the new dimensions of PCI internationalism, and indicating which direction to follow for an analysis of the USSR foreign policy's social roots.

It would be illusory to believe that these tasks--reconstituting the left on the European level, creating a nucleus of detente, peace and political innovation in Europe, and sizing up the Soviet model--will move ahead in a rapid, linear development without conflict. Yet never before has the PCI taken so many forward steps as in these past months. It is probable that the effects of its strategy will not be long in making themselves felt.

9653

CSO: 3104

GOVERNMENT WANTS TO BE INCLUDED IN NORTH-SOUTH CONFERENCE

Rotterdam NRC HANDELSBLAD in Dutch 22 Aug 80

[Article by W.H. Weenink, of the editorial staff]

[Text] The Hague, 22 Aug--The Dutch government has begun a diplomatic offensive to get an invitation to the exclusive summit conference between industrialized and developing countries that is to take place next year in Mexico.

Through our ambassadors the government has made it known to Western countries, to the United Nations, to so-called "like-minded countries," to members of the Group of '77 (more than 120 developing countries), and to those who took the initiative for the meeting (Mexico and Austria) that it would like to take part in the summit meeting.

At the same time the government emphasized that Western participation should not be limited solely to countries that take "rigid" or "negative" approaches to the world development question. Countries with a "moderately" progressive view should also be present, according to the government, which clearly includes itself in this group.

The government also made it known among other things that the summit conference must take place at a time that will allow for good preparation. It is thinking in this connection of the middle of 1981. Participation at a high level must be ensured and the summit conference must not fail, the government says in its démarches.

The idea of the summit conference started with the Brandt Commission, a group of independent, outstanding personalities that concerned itself intensively with the development question in 1978 and 1979 and published a report early this year under the title: "North-South, a Program for Survival."

Participation in the summit conference was to have been limited to about 25 chiefs of state and heads of government. Although initially there was

thought to be a good chance that the Netherlands--in view of its great efforts in the field of cooperation for development--would be in the group, this has appeared less clear recently.

At any rate, the Netherlands does not appear on recent lists of countries that have been invited. Western participants listed are: the United States, Great Britain, the Federal Republic of Germany, France, Canada, Japan, and Sweden.

8815

CSO: 3105

CABINET POSTPONES INTRODUCTION OF NEW WAGE MEASURES

Rotterdam NRC HANDELSBLAD in Dutch 26 Aug 80 p 1

[Text] The Hague, 26 Aug--Last evening the cabinet succeeded in completing the main outlines of the national budget for next year. It decided to follow the line of Minister Albada (social affairs) for the time being and not to announce a new wage measure on Prince's Day. It is agreed in principal, however, that next year a wage measure will be adopted if in the fall it appears that free discussion between employers and employees will lead to a gross wage rise that is too big in the government's eyes.

The net wage increase next year will be held down by an increase of 1 percent in the premiums for employees' insurance. This will reduce the nation's contribution to the social security funds by about a billion guilders.

Voluntary

Because this measure will act as a burden on the economy, an appeal will be made to employers and employees to moderate the wage increase next year voluntarily, e.g. in the form of a price compensation in which no compensation is allowed for the increase in energy prices.

The increase in social security premiums would lead to an increase in the total pressure of taxes and premiums next year of more than 1 percent. This will be countered, however, by a number of measures to the benefit of the economy, by which this increase in pressure will be ultimately limited to about 0.5 percent.

These measures for the economy will be financed from the extra yield that must come from the application of the Dutch natural gas export contracts. A part of this extra natural gas yield will be applied to limiting the financing deficit and to stimulating housing construction.

The cabinet's decision to follow Albada's line for the time being was reached after very long negotiations in the cabinet. The cabinet was later than last year in establishing the main lines of the 1981 budget. Last week a considerable part of the cabinet still wanted a wage measure in the form of a reduction of the vacation bonus. Minister Albada opposed a wage measure throughout.

VAN AGT MAY LEAD CDA ELECTION LIST

Rotterdam NRC HANDELSBLAD in Dutch 14 Aug 80 p 7

[Article by J.M. Bik, NRC HANDELSBLAD commentator: "A Nasty Surprise for the CDA's Van Agt"]

[Text] Premier Van Agt practices politics in this country, if not from a lonely height, at least at times with a certain degree of aloofness, and he follows politics here the same way. That applies particularly to party politics and politics within his own party, which are not always the same thing. It has already often been said and written that this determines both the premier's strength and his weakness. Van Agt's frequently successful winks at party members and voters sometimes does not suit the professional politicians at the Inner Court so well, even those of his own way of thinking. Van Agt does not appear to suffer remarkably from that, but his relative indifference to what is keeping the leadership and the organizations of the CDA [Christian Democratic Appeal] parties busy can also lead to nasty surprises.

An example of that kind of surprise for the premier was the CDA's proposed campaign platform published yesterday. For it contains principles and positions--for example, with respect to nuclear energy and economic growth--with which he totally disagrees.

In itself, that would not necessarily be so bad for the head man in a coalition government. But it does become uncomfortable in that several months ago Van Agt announced for the position of standard bearer again, or at least made himself available before his party asked him. In his immediate surroundings, it has been urged upon him that with an eye to the future he should bring himself a bit more up to date on the work of the various CDA platform committees, perhaps even exert a little influence on that work. The premier has not gone along with those suggestions, and as a result it was only a few days ago that he heard from the CDA platform committee what the proposed platform recommended and yesterday defended by delegation chairman Lubbers looked like.

Den Uyl

Van Agt's political counterpart, Den Uyl, did it differently within the PvdA [Labor Party]; last summer he exerted as much influence as possible on the preparation of the proposed platform and even threatened not to stand up as standard bearer if he could not agree with certain sections, for instance, with the formulations dealing with peace and security.

There naturally exists the requisite joy within the PvdA about the position in which Van Agt now finds himself here and there with respect to the proposed platform of his own party. Den Uyl referred to it directly as early as last night, and that was understandable. Naturally there are still differences between the proposals of the PvdA and the CDA, but they are--perhaps in part as a result of the towering financial, economic and social problems--must smaller on many important points than one would expect in a comparison between the ideas of a governing party and an opposition party. The same big problems call for a coalition that is politically as strong as possible in the future; that is certainly one of the CDA's (quantitative) criteria for forming a government.

Coalition?

One complication, however, is that it is hardly to be assumed that Den Uyl and Van Agt would be able to be members of one cabinet. A coalition in which both of their parties were involved would only be thinkable if one of these gentlemen were to disappear from the stage in good time.

If Van Agt will only be good enough to stay with his positions that deviate from the CDA platform, perhaps his position as standard bearer will be endangered. Many PvdA politicians will lead the singing: the CDA has a nice platform; it is certainly not such a bad coalition partner for the coming lean years, but would it just come up with a different standard bearer, Lubbers, for instance? Furthermore, for many socialists a not undesirable side affect can be that a standard bearer other than Van Agt, particularly if he were to step down, probably would not do as well at the ballot box.

There remains one detail: if his cabinet survives the establishment of the 1981 budget, the premier himself will determine to a large extent whether Van Agt is the next CDA standard bearer. The CDA platform framers will change that as little as the PvdA. In this regard, too, the extraordinarily difficult discussion in the cabinet is important to much more than the 1981 budget.

6940

CSO: 3105

PPR's RIA BECKERS WANTS PROGRESSIVE MAJORITY CABINET

Rotterdam NRC HANDELSBLAD in Dutch 22 Aug 80 p 3

[Text] The Hague, 22 Aug--Ria Beckers, leader of the PPR [Political Party of Radicals] group in the Second Chamber and standard-bearing candidate, feels that before next year's elections the PPR must address itself to the formation of a progressive majority cabinet. She said that yesterday on the occasion of the presentation of the party's campaign platform.

According to Mrs Beckers a progressive majority is near at hand as far as numbers go, although, as she herself admitted, other leftist parties are talking about it less and less. "We cannot force it, but the left should strive for this and not proceed by compromises in advance."

If a leftist majority proves unattainable, according to Ria Beckers the PPR will arrange compromises immediately after the elections. She let it out that in that case the PPR does not rule out collaboration with the CDA [Christian Democratic Appeal]. "We are not shutting any doors yet."

Joint Lists of Candidates

Chairman H. Verbeek has announced that the central committees of the PPR and the PvdA [Labor Party] will have the first consultation next Monday on a possible joint list of candidates for the elections to the chamber. On that occasion the PPR will propose taking in the PSP [Pacifist Socialist Party] and the CPN [Communist Party of the Netherlands] as well. Combining lists puts parties in a more favorable position in the assignment of left-over seats. The PPR owed its third seat to this in the elections of 1977.

The PPR's new campaign platform, according to party chairman Verbeek, is aimed in part at persons who are in the left wing of the CDA. He said emphatically, however, that the PPR is not seeking any contact with the dissatisfied members of the CDA, such as the study group "Not by Bread Alone," because of the evangelical principle that they stand for. "There is not good to be expected from that. If you really want a new party, your ideology has to be more radical."

Leveling

In a financial appendix to the platform the PPR calls for a 4 percent per annum reduction in buying power for incomes above the mode. Incomes up to the mode would remain the same in buying power.

This leveling is necessary, according to the PPR, to make it possible to pay for the extra public expenditures of between 11 billion and 16 billion [guilders], partly for bigger investments in firms, urban renewal, and to open up more positions in public service. The PPR is basing these proposals on an economic growth between 0 and 1 percent, while the deficit financing must be reduced 0.5 percent per annum.

With regard to the incomes above the mode, Leo Jansen, a PPR member of parliament, remarked that in his opinion this should be handled in such a way that just above the mode the purchasing power would drop by only 1 percent, but the higher incomes would lose something like 10 to 12 percent.

The PPR thinks a total of more than 300,000 new positions can be created in the next 4 years, 200,000 of them by introducing part-time work on a large scale.

8815

CSO: 3105

D'66 POSTPONES DECISION ON NEW COALITION WITH PvdA

Rotterdam NRC HANDELSBLAD in Dutch 25 Aug 80 p 1

[Text] The Hague, 25 Aug--D'66 [Democrats of '66] will not express themselves soon in favor of a new coalition with the Labor Party and the CDA [Christian Democratic Appeal]. The party group in the Second Chamber feels that no decision need be made on that question until February of next year. At that time collaboration on a cabinet with the Labor Party will be made dependent on the socialists' program.

The members of the D'66 parliamentary group discussed various things last week end. If it is left to the parliamentary group, for example, they will not team up with the Labor Party while it is part of the socialist platform that the Netherlands must get out of NATO. The opinion prevails both in the D'66 central committee and in the parliamentary group that the Netherlands should in the very near future declare itself in agreement with the modernization of NATO's nuclear weapons, provided a number of conditions are met.

Among these are reduction of the number of nuclear weapons in Europe and reduction of the number of nuclear assignments for the Dutch armed forces. The D'66 parliamentary group rejects a leftist majority government if in such a government it would be dependent on the actual support of the PPR [Political Party of Radicals] and PSP [Pacifist Socialist Party].

The Labor Party's group in the Second Chamber also thought over the coming political season during the week end. There was detailed discussion of alternative cabinet compositions after next year's elections. For the Labor Party, just as for D'66, an important consideration is that the party wants to participate in the government. In general the talk was that the parliamentary group does not want to make too detailed commitments in advance.

At the moment there are two trends to be observed. One part of the group is inclined to follow party chairman Van den Berg, who favors a cabinet

of the Labor Party and D'66, which the CDA might perhaps join. Others follow the line advocated by former secretary of state Meijer, namely a cabinet of PvdA [Labor Party] and CDA on a basis of parity, in which there is obviously room for D'66 as well. Den Uyl, leader of the [Labor] parliamentary group, is avoiding Meijer for the time being.

In the survey that was made, the rather somber poll figures for the PvdA were also discussed. If elections were held now, the socialists would lose 10 to 12 seats. The gain would go mostly to D'66. In the next few weeks the Second Chamber group will ponder the question of how to take the initiative as an opposition party in the present political situation.

8815

CSO: 3105

VNO ASKS FOR SEPARATE WAGE POLICY FOR COLLECTIVE SECTOR

Rotterdam NRC HANDELSBLAD in Dutch 14 Aug 80 p 9

[Text] The Hague, 14 Aug [80]--"The time has come for the government to develop its own wage policy for the collective sector. The coupling mechanisms between the government sector and industry will have to be revised." So said van Veen, the chairman of the Federation of Netherlands Enterprises, at a press conference yesterday.

If the government were to decide on its own policy, he contended, it would be all the more persuasive in carrying out deliberations about the consequences to government and industry. Van Veen said that a wage regulation is not an appropriate instrument, now that a policy is being introduced in industry for selective revision of wage relationships aimed at the better operation of the job market and at improving productivity.

According to van Veen, maintaining the coupling means that the competitive relationship which business encounters with civil service salaries and with welfare benefits will be restored immediately.

He mentioned the net minimum wage as an example, which is 250 guilders a month higher in the government than in industry because of the difference between gross pay and net pay. The chairman of the VNO asked, Why should that relationship not be made the same for civil servants and why do we not ask the civil servants to make an equalization or solidarity payment as we do welfare recipients?

Construction

He said that through a shift from consumption to investment, more means could also come to be available for governmental investment. In that way, industry and employment in construction would be served.

Van Veen called it senseless to place priority on employment if the circumstances were not first restored under which business could do business

successfully again. He warned against the danger that enterprise "is being ground fine between the millstones of the market and the state." Enterprise threatens to become frozen in, he said, in structures, councils, steering groups and commissions.

He found that, in general, responsible CAOs [Collective Labor Agreements] have been concluded with as little cost increase as possible and a clear start toward improved wage relationships. Van Veen said that he was worried, though, about the negotiations still going on, where labor union demands had been introduced that were much too high.

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CS01 3105

VVDM DEFENDS SOLDIER REFUSING NUCLEAR WEAPONS GUARD

Rotterdam NRC HANDELSBLAD in Dutch 14 Aug 80 p 2

[Text] Utrecht, 14 Aug [80]--The Union of Conscripts (VVDM) is going to gather signatures in the barracks on a petition calling for the acquittal of soldier Gerard van Wingerde. The military prosecutor asked yesterday at the court martial in Arnhem for a sentence against him of 6 weeks, of which 4 were to be conditional, because of his refusal to take part in guarding nuclear weapons.

The general membership meeting of the VVDM spoke out yesterday against any further development or proliferation of nuclear weapons and for the suppression and eventual abolition of nuclear weapons. Conscripts must also be given the right to refuse nuclear duties, according to the position of the membership meeting.

To shed light on that position, a brochure is to appear shortly to sharpen the discussion now going on about nuclear armament. There is great dissatisfaction within the VVDM about the information the conscripts receive about nuclear duties, which is considered to be inadequate. "They tell you that in the event of an accident you have to duck into your foxhole, as if that would do any good," according to a VVDM spokesman.

Principle

According to the union, the refusal of guard duty for U.S. stockpiles at Havelte or 't Harde has thus far been kept under the table because the commanders have given other duties to those who have refused. In the case of Gerard van Wingerde, though, there was a reaction on principle, resulting in court martial proceedings.

The military prosecutor's reference yesterday to the existence of an opportunity to appeal on the basis of the Law on Conscientious Objectors, according to the VVDM, is unjustified. "Van Wingerde is not against the army if that service is for the defense of the country, he is only against nuclear weapons, where the question is whether they are intended solely for defense."

Another difficulty is that the decision about the use of them remains completely out of our purview, because it is reached in the United States.

The direct guarding is provided by soldiers, the Netherlands have to stand guard in the area 7 days in rotation. "Every conscript runs the chance of being sent there sooner or later," the VVDM said. At the moment, 160 men are involved per 7-day period.

Discussions

The union is not interested in registering at the time of induction whether a soldier is willing to guard nuclear warheads and the like. "Then you will get a special group who have no difficulty with it, but then there would never be any discussion of it, either," the VVDM said.

The court martial will give its verdict in 14 days.

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CSO: 3105

PIRES VELOSO DISCUSSES PRESIDENTIAL CANDIDACY, ASPIRATIONS

Lisbon EXPRESSO REVISTA in Portuguese 9 Aug 80 pp 1R-3R

[Interview with presidential candidate Antonio Elisio Pires Veloso, by Maria Joao Avelles; date and place not given]

[Text] There is something pathetically messianic in the way in which, in running as a candidate, he believes he can save the country.

His period as "viceroy" in the North continues to dictate his reasoning and actions. And above all, to prevent him from seeing the new reality of things, which immediately makes his speech unconvincing. But Antonio Elisio Pires Veloso, a brigadier general, 54 years of age, does not however fear failure as candidate for the presidency of the republic. With a bold, rather naive ingenuity, he speaks of an "extra-party candidacy," of "supreme national interests," and often of the "people." Adding almost obsessively that "it will be only with them and in their name that he will make commitments."

What about Eanes? His answer comes quickly: "He did not keep his word."

What about Soares Carneiro? A certain hesitation: "Well, people with whom I talk from north to south say they are greatly confused about the choice of the AD [Democratic Alliance]."

Modest, with a calm which impressed this journalist, he seems to invoke almost always, above and beyond the conversation, past glories. The memory of man is short, as is known.

It must be for that reason that almost no one remembers now that rather fictionally dramatic pilgrimage which brought more than one leading political personality to the bedside of Pires Veloso every day while he was convalescing from a helicopter accident.

But Pires Veloso remembers.

EXPRESSO: How do you define yourself? What for example are the main aspects of your character, in your view?

Pires Veloso: I regard myself as a simple, transparent, loyal man direct in action. I am tolerant but very firm in all I regard as basic to the society with which I am affiliated. In politics I think I have two advantages:

I think I have an intuitive sensitivity for the rapid assessment of men and situations.

And above all, I seek to make up my work teams with intelligent and honest individuals with a spirit of dedication, and to create with them an atmosphere of stimulation, enthusiasm and efficiency.

EXPRESSO: Do you believe that the events which occurred in 1975 in the northern part of the country have influenced your behavior? In other words, did they dictate your decision to become a candidate for the presidency of the republic?

Pires Veloso: They were determining in one way, to the extent that even after I left the North Military Region Command, individuals from various social strata in the country, particularly in the Center and the North, continued to show great friendship and sympathy for me in public, encouraging me not to fail to run as a candidate in the next presidential election, and indicating their indignation that I was not promoted by General Eanes and the Council of the Revolution (

EXPRESSO: Yes, but after that?

Pires Veloso: In 1978, when I was attending a course at the Institute of Advanced Military Studies in Lisbon, I also frequently received from others attending the course the most significant evidence of consideration on the part of ordinary citizens. In the summer of 1979, when I spent my vacation in Algarve, it was a rare day when I and my family were not invited, from Portimao to Vila Real de St Antonio, to gatherings organized to "meet Pires Veloso."

Humble Attitude

EXPRESSO: But is this why you are a candidate now?

Pires Veloso: In the initial phase (1979) my attitude was of humble availability in view of the many thousands of Portuguese who demanded it, after regretting that I had not been their candidate earlier, in 1976.

Currently, the basic reason is the fact that I see I am a valid alternative for Portuguese citizens who want a national candidate committed only to the citizens individually, without subservience to any ideological sector.

EXPRESSO: Some observers believe your candidacy to be divisive. Others say it will create a stalemate. What do you think?

Pires Veloso: To label a person or a body "divisive" is an old means of placing a negative "charge" on the image of that person or that body.

A label such as this would not be a factor concerning me, among other things since I was the first candidate to run in the central area of the electoral spectrum. I do not see that this "label" is applicable to me.

Division of Society

EXPRESSO: Then I would ask you, from another approach, at a time when the left will obviously try to rally its forces around a single man, what is the meaning of the dispersal of the right wing to two or three candidates? Or more accurately, which is inherently more important--triumph for the rightists or triumph for Pires Veloso?

Pires Veloso: Your question places me in an uncomfortable position, i.e. the need to develop a justification in terms of left and right.

Why and for what purpose seek to divide society into left and right?

Politically I am interested in the opinion of the Portuguese citizens who claim to be democrats (in the Western sense of the word), the opinions of all men who want to contribute to a more just and more prosperous society in which Portuguese citizens will have a life worthy of being lived.

What I consider most important is that Portugal and its citizens win these elections and what I greatly desire is that the Portuguese people should be able to choose the president of the republic who will give them the most guarantees of peace, security, work, a better standard of living, and if they believe that Pires Veloso is the man the country needs, then Pires Veloso will win.

EXPRESSO: What do you think of the AD? In your view, what exactly is the AD?

Pires Veloso: The AD is an interesting effort to create a "stable and coherent" majority, which Eanes has urged so much as desirable but is now opposing.

Given the known difficulties, the inherent imperfections in human efforts, they have undertaken the government task in a limited way, perhaps as a consequence of factors external to the AD itself. In many cases they have shown political courage and outstanding efficiency.

As I am not a proponent of bipolarization, I would like to see the AD with civilized opposition on both sides of the political spectrum.

Reasons both intrinsic and extrinsic to the AD encourage the existence of centripetal and centrifugal forces within the group.

The tolerance and the political maturing of the parties and the electorate will certainly lead to the development of the party political structures, and to valid conditions for stable alliances.

The future of the AD will depend on the development of the parties which make it up and the realism they are able to breathe into the "collective personality" of the alliance they have created.

Siamese Twins

EXPRESSO: Is it true that you were irritated because, contrary to what you expected--or to what you are said to have expected--you were not the candidate of this party coalition?

Pires Veloso: I would not want to be the candidate of any coalition or party. To be president of all Portuguese citizens is, where we are concerned, inconsistent with being a negotiated candidate.

A negotiated candidate is a compromise president in embryo, which seems to me unacceptable.

It is obvious that it would have been easier for me if the AD had stated it supported me without requiring on both sides this "Siamese twin" arrangement. The main lines of what I have asserted are not generically incompatible with the government program of the AD. Many of my supporters will vote for the AD in the legislative elections, of that I am certain.

It seems to many people that it would all be easy, but this did not seem desirable to some AD leaders (I do not know of any consultation at the base level of the parties). Be that as it may, I see no reason for irritation or reciprocal ill-will.

EXPRESSO: Do you think that your candidacy will steal votes and strength from the AD?

Pires Veloso: I would answer with another question. Don't you feel that the emergence of an AD candidate will rob me of votes from a part of my "natural space"?

I presume that you will not answer, but if you did you could only say yes.

We must not forget that in the presidential elections votes are "for the candidate" and not the party.

EXPRESSO: How do you see the coming legislative elections?

Pires Veloso: I regard them as a political event of overwhelming importance. I would like to see all voters fulfill their duties conscientiously and without inhibition.

I will not go farther in my views because as I am a "national candidate," I do not wish to influence political struggle which is entirely within the sphere of action of the parties.

Influence on Presidential Elections

EXPRESSO: What about the presidential elections? Do you think that they will be determined by the legislative elections?

Pires Veloso: From a theoretical point of view it would be desirable for both elections to be entirely distinct realities.

I believe that the parties should give their supporters freedom to vote for the candidate their consciences dictate. In the case of the presidential elections, the parties should not exceed their instructive function.

However, this is not the reality and the legislative elections will influence the presidential elections. I believe that they are not determining, for otherwise it would be more convenient and economical not to hold presidential elections. The winning party would indicate some very venerable and obedient gentleman.

Second Ballot

EXPRESSO: If the AD wins, naturally the winning candidate will be Soares Carneiro. If the victory goes to the left, naturally its candidate will win. Naturally, I repeat. In such a case, what would your role be?

Pires Veloso: Your question suggests that you regard the legislative elections as inevitably determining the presidential elections. About that I have many doubts.

My role in the first balloting is to offer a valid alternative to the voters who in good conscience (uninhibited by party "bossism") want to vote for me.

If there is a second ballot, as I hope, the importance of the fact will become evident to all.

EXPRESSO: What makes Pires Veloso run?

Pires Veloso: Pires Veloso is a candidate running on behalf of all Portuguese people who want to see him win the race. There are those who want a president free of party commitment, a man who knows how, wants to and can

at all times place the interests of the people (of which we are all a part) above ideologies and groups in a peaceful and tolerant fashion, but firm in the commitment made to the voters.

EXPRESSO: If you win will you be that man? Will you win? Are you optimistic in this regard?

Pires Veloso: I must admit I am an optimistic candidate. I have always been an optimist in my personal and professional life.

It is not a question of knowing whether Pires Veloso will win or not.

It is so that we can learn this that I will go to the polls.

I believe that there are many people who think thus and that we can have a second ballot. There in fact it will be easy to win.

EXPRESSO: What have been your greatest and best triumphs?

Pires Veloso: My conduct as a military officer, as governor, as high commissioner, as a member of the Council of the Revolution (from which I resigned), as commander of the North Military Region and in all the actions of my life.

I have always been direct, transparent and consistent. The people know what I have been and they do not forget. I am sufficiently well known and have provided evidence, so that those who vote for me know for whom they are voting.

And they know my respect for others and for promises made.

The Will of the People

EXPRESSO: What if you lose? Are you afraid this will happen?

Pires Veloso: I would not be depressed. It would be because the people wanted it so. Let the will of the people be done. What would I do if I lost? I would live in peace with my family.

EXPRESSO: Who is financing your campaign?

Pires Veloso: The anonymous people.

EXPRESSO: That is extremely vague!

Pires Veloso: Can you believe there are contributions beginning at 5 escudos! Obviously there are other larger ones. Ranging up to thousands of milreis!

But let me tell you that if it were necessary, I would have recourse to a national subscription. I have already told you that my commitments are solely to the people.

No Staging

EXPRESSO: How will your campaign proceed?

Pires Veloso: For now I see no need for great rallies or for being obvious. I do not like "staging." I prefer individual contact, direct contact with individuals. A president has to cease to be an abstract body. It is necessary to go to the railroad stations, to talk with the fishermen, to go to the universities.

EXPRESSO: Will these individual contacts bring success?

Pires Veloso: Well, I have no doubt about holding great rallies, but the truth is I do not like them so much.

EXPRESSO: You have spoken to me constantly about the people. For you, who are the people?

Pires Veloso: They are all the citizens of Portugal, from the humblest ditch-digger to the businessman.

The Politicians and the Military

EXPRESSO: To change the subject, what do you think about the armed forces?

Pires Veloso: Let me answer on two levels. First on the generic level, and then the current problem with our armed forces.

In general terms, we are now reading and hearing that the armed forces are no longer needed. This is truly original thinking, because we cannot find any examples where the armed forces are absent except in the tiny countries whose existence is dependent on the protection and tolerance of the adjacent countries.

The armed forces, above and beyond their military mission of defending the sacred territory of the fatherland and the military commitments or alliances of the nation, should constitute a group of citizens with the cultural, moral and psychological background which makes them difficult to manipulate by any political forces or, still worse, by movements of a totalitarian nature. The armed forces will in reality always have adequate material strength to impose a "shotgun" policy. However their cultural background, their democratic training, their love of the fatherland should be so firm that they know how to resist the temptation to intervene in political life.

The armed forces should be a citizens' elite with such a spirit of self-sacrifice in serving the country well that even if challenged and misunderstood they will know how to conduct themselves properly within the boundaries of their barracks.

However the armed forces must have sufficient political training to understand the exceptional periods in which the people see in them their sole salvation.

Consistent with the times, societies ask that their armed forces support the political regime or liberate them from it.

Dramatic conflicts of conscience on the part of military leaders as to the timeliness of intervention or neutrality given a certain political phenomenon in the struggle for power are not rare.

To summarize, I would say that the good military leader will have to have cultural and political education enabling him to distinguish the very exceptional cases in the life of nations in which history would not forgive him for passivity in view of the political situation.

I cannot resist noting that politicians should be capable of avoiding the easy temptation to mislead military commanders in order to strengthen their own political position.

EXPRESSO: To be specific . . .

Pires Veloso: However speaking of the present Portuguese armed forces concretely, I think that they will make a significant effort to recover from the two types of trauma which routinely strike military forces of the conventional type.

First of all, they survived 12 years of a subversive war. No Western army has been able to resist the deleterious effects of a war of this type for so many years. We should all regret that petty politicians were unable for more than a decade to find an opportunity for peaceful decolonization to the benefit of all the peoples involved, but we should all understand the impoverishing effect which makes itself felt in military cadres which have had to bear such sacrifices, made less glorious by politics.

The second trauma was the need for action in the political field required of the military, who were always denied political training. We former military well remember how difficult it was to understand the political phenomena or to hold an opinion differing from that of a hierarchy which took refuge in insistence on the slogan "politics before the politicians."

To reestablish discipline and principles, the venerable values of the nation, to rebuild an elite of young officials in the permanent cadres--this is the long task of a generation.

The shrinking of geographic space and military needs created a difficult problem with the dimensions of the cadres. There were and are individuals who have sacrificed their health and family life at the altar of the fatherland, to whom the country has a debt to pay. The correction of the hypertrophy existing today is also the task of a generation.

I think then that the armed forces are possibly on the road to a well-proportioned reorganization and reconstruction, which will require a generation of profound and judicious effort.

Eanes Did Not Keep His Word

EXPRESSO: What about Eanes? What do you think about the current president of the republic?

Pires Veloso: I have already been asked this question a number of times, but basically what I think is what the majority of the Portuguese people think. We know that he did not keep his word.

EXPRESSO: What about Soares Carneiro?

Pires Veloso: Here too I think like the majority of the Portuguese people. He is politically an unknown. However I can say that there are friendly relations between us forged in the classrooms at the military school.

EXPRESSO: Now that you are close to power, if you do not reach the second round would you channel votes to Soares Carneiro?

Pires Veloso: I will not channel votes on the second ballot! This is an established fact! By no means! And nothing will make me change my stand!

EXPRESSO: Not even a properly negotiated agreement?

Pires Veloso: There will be no kind of agreement! I have already said that my only commitments are to the people.

Marxist Or Not

EXPRESSO: What is your view about the present opposition party--the PS [Socialist Party] and the PCP [Portuguese Communist Party]?

Pires Veloso: Let us begin with the PCP, a true Soviet multinational force continuing to challenge Portuguese democracy.

I know communists whom I respect, and in my view they are people on the wrong path in whose minds the light will dawn one day.

As a party, the PCP is a body we must accept. This is one of the prices of democratic freedom. They will be the eternal beneficiaries of the freedom they do not understand and do not cultivate.

EXPRESSO: What about the PS?

Pires Veloso: The PS is a very different party which sometimes falls into the error of failing to stress the difference between it and the PCP.

It has rendered important service in the defense of democracy during the PNEC and can play an important role in the future if it has the courage to carry out an internal purge campaign.

I would say of the PS that "to be Marxist or not to be Marxist," that is the question.

EXPRESSO: If elected, how would you view relations with the government? And with the opposition?

Pires Veloso: It is not for the president of the republic to replace the programs of the government or the parliament, but to devote great concern to the major national problems. The democratically chosen government should be guaranteed the ability to exercise its functions under conditions of authority and dignity, and should be given the confidence which a democratic system requires.

With regard to the opposition, I would not place a hindrance on the legitimate exercise of a civilized opposition.

Ignoring the Council of the Revolution

EXPRESSO: If elected, what would you do regarding the Council of the Revolution? Would you replace it with another military body? Or one made up of military officers and civilians?

Pires Veloso: If I were elected, as I said in the formal announcement of my candidacy, I would ignore the Council of the Revolution, because so long as there is no constitutional revision its existence will be purely formal, without any power vacuum. The present three constitutional attributes of the Council of the Revolution are fully safeguarded. As to its council, I would personally set aside the constitutionality of the law; the constitutional commission would always continue to exist until another body is established; as to the spirit of 25 April, the end of the transition period and the elections in themselves are the best guarantees.

It would be an act of political hypocrisy further to prolong the existence of a moribund body, which has always been very costly and is in a position to create instability.

Three National Goals

EXPRESSO: Can you set forth in three lines the essence of your platform as a candidate for the presidency of the republic?

Pires Veloso: Advancement toward achievement of the three constant national goals in my "commitment to the people"--removing ideological content from the constitution, eliminating sponsorship by the military or other bodies with aristocratic characteristics, and freeing up the economic system.

Intransigent defense of our national heritage.

Preservation and consolidation of national solidarity.

Exercise of a constant policy in defense of justice and freedom.

EXPRESSO: And do you have a good team for this? Who would comprise it?

Pires Veloso: Many people, many people. Scientists, university professors, technicians, researchers.

EXPRESSO: Do you regard yourself as a reactionary?

Pires Veloso: If etymologically we cleave to the literal definition, I am, for I react to all which would damage the interests of society in general.

EXPRESSO: General Soares Carneiro said some time ago in these same columns that Eanes would represent a denial and he an expectation. A week later, Galvao de Melo said that he was a "certainty." What are you, Pires Veloso?

Pires Veloso: I? I am only a certainty in the sense that when I make a commitment I carry through to the end.

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CSO: 3101

YOUTH RIOTS CONTINUE IN MAJOR CITIES

Trouble in Basel

Zurich NEUE ZUERCHER ZEITUNG in German 26 Aug 80 p 16

[Report by "ddp": "New Riots in Basel--Police Refuse To Be Provoked"]

[Text] Basel, 24 August--For 10 1/2 hours on Saturday [23 August] rowdies consisting mostly of young people--including some from St Gallen--demonstrated, raised a racket and caused some damage in Basel, without however managing to provoke the police to take tough countermeasures. On Sunday the Basel police announced that three persons had been arrested and had been charged, among other things, with having engaged in theft and caused damage to property. According to the official police communique, police headquarters altogether had used about 50 police, who "once more had to put in extra time during off-duty hours."

Provocations

The "demonstration" in behalf of none-too-clear "youth and cultural concerns" had been scheduled for 1500 hours Saturday afternoon at the Basel Theaterplatz. From 1500 to 1800 the "demonstrators"--most of them juveniles and 80 to 100 strong--acted rather awkwardly, unable to articulate their concerns. After 1800 they put a car with a loudspeaker in front of the Barfuesser Church, drowning Barfuesserplatz with noisy music and illegally drawing the current for the loudspeaker installation from a municipal switchbox, which had been opened with a square key. Despite complaints by the population, the police did not intervene.

In the next "provocation phase" the "demonstrators" smeared the new pavement of Barfuesserplatz all over with paint and removed stones from it in order to 1) "plant a tree" and 2) supply themselves with projectiles. Still the police did not intervene. About 2130 (the car with the loudspeaker having been removed "for security reasons") the "demonstrators" hit on a new idea. From a construction site in Barfuessergasse, they stole construction materials and construction barriers, dragged them to Barfuesserplatz, stacked them up and set them on fire.

Joined by People From St Gallen

The Basel police make special note of the fact that "a group of 15 to 20 'demonstrators' from St Gallen were in the very forefront of the activists." The police further emphasize that no tear gas, spray or truncheons were used and that, apart from the throwing of rocks, thanks to police restraint, no confrontations or violence occurred on Barfuesserplatz. In conclusion the Basel police note that now "at least that part of the population which was able to follow events on the spot knows what to think of these 'demonstrators.'"

Fire Brigade Materials Destroyed

Additional material to feed the fire was now fetched continually. When the flames reached a height of 8 or 10 meters, the fire brigade arrived at 2150 (having been informed by the population and the police) with a fire engine and a four-man crew. Barfuesserplatz was now very crowded--first by the usual Saturday night crowd, secondly by many curious onlookers and finally by the close to 100 "activists." After its arrival (with no police in evidence) the fire brigade was immediately surrounded by "demonstrators" and prevented from doing its job. What is more, firehoses were removed, cut and thrown into the fire and burned. Only with the greatest difficulty did the four firemen manage to withdraw.

Intervention by the Police

Now the Basel police headquarters saw fit to intervene. A group of plainclothesmen blocked off the construction site in Barfussergasse which was serving as a source of supply for feeding the fire. The arrest of a young woman who had been observed stealing material for the fire served as a signal for the "demonstrators" to have a hail of rocks descend on the plainclothesmen, with angle irons and other heavy objects flying through the air as well. It was only by accident that none of the police was hurt, but some privately owned vehicles and a police car were damaged. Now the police used two platoons to prevent further property damage. These too were "welcomed" with rocks and beer bottles. Nevertheless the police behaved in an utterly passive manner, and as a result the number of curious onlookers and "demonstrators" on Barfuesserplatz decreased noticeably, particularly after midnight. The police finally departed at 0130, at which time only about 50 rowdies were acting in a "vacuum."

Demonstration in Bern

Zurich NEUE ZUERCHER ZEITUNG in German 26 Aug 80 p 16

[Report by "ddp": "'Action' in Bern"]

[Text] Bern, 23 August--Youths from the "Movement of the Dissatisfied" symbolically locked in the Bern City Police on Saturday. In a lightning

action 50 juveniles locked the gate of the police headquarters on Waisenhausplatz, put a chain around it and hoisted a banner with the words "Last of species 'Schmier' [mess]--dying out because superfluous--locked in here." According to a leaflet which was distributed, this summer a phenomenon utterly beyond the comprehension of the police had appeared in Switzerland--demo[cracy] against Frust [?frustration] and for solidarity.

Striving to protect a population--defenseless and at a loss what to do--against this frightening and strange danger, the police had been overtaxed the leaflet stated, but youth was going all out to make the police gradually superfluous. Youth was taking the term democracy seriously and believed that, if democracy was to work, everyone had to be responsible for himself and all had to be responsible for one another. Responsibility could not be delegated--to the police, politicians or anyone else--because otherwise humanity would vanish, and no one would have a clear idea why he existed.

It did not take long for a couple of policemen to come on the scene, cut the chain with a pair of pliers and reopen the main gate. The youths then dispersed.

Police Brutality Protest

Zurich NEUE ZUERCHER ZEITUNG in German 26 Aug 80 p 16

[SDA report: "Young Socialists 'Appalled' at 'Brutality'"]

[Text] Bern, 23 August--The Swiss Young Socialists stated on Saturday that they were appalled "at the brutality which the Basel, Zurich and Bern authorities, directors and chiefs of police in the past few days and weeks have found it necessary to have police subordinated to them use against demonstrators--mostly young men and women." The Young Socialists demand that the responsible directors of police "assume the responsibility and resign." Furthermore they stress that "lack of housing, cultural imbalances and destroyed urban residential areas" cannot be eliminated by police action. What was necessary instead was to "subordinate economic trends to immediate basic human needs and not to adapt social needs to profit."

The Young Socialists call on politicians to ponder this "and not right away turn things into crimes and make arrests." Finally, they call on all citizens likewise to "take their hands out of their pockets and to commit themselves together with many youths for a life in unity and of human dignity."

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